



ERB HELLAS PLC

(incorporated with limited liability in England and Wales)
as Issuer

ERB HELLAS (CAYMAN ISLANDS) LIMITED

(incorporated with limited liability in the Cayman Islands)
as Issuer

and

EUROBANK ERGASIAS S.A.

(incorporated with limited liability in the Hellenic Republic)
as Issuer and as Guarantor

€25,000,000,000

Programme for the Issuance of Debt Instruments

Under this €25,000,000,000 Programme for the Issuance of Debt Instruments (the "Programme"), each of ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A. ("Eurobank" or the "Bank" and, together with ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, the "Issuers" and each an "Issuer" and references herein to the "relevant Issuer" being to the Issuer of the relevant Instruments (as defined herein)) may from time to time issue debt instruments ("Instruments") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined herein).

Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited will be guaranteed by the Bank (in such capacity, the "Guarantor").

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "CSSF") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the "Prospectus Act 2005") to approve this document as a base prospectus. The CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of any of the Issuers or the Guarantor in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Instruments issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. References in this Prospectus to Instruments which are intended to be "listed" (and all related references) on the Luxembourg Stock Exchange shall mean that such Instruments have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The requirement to publish a prospectus under the Prospectus Directive (as defined below) only applies to Instruments which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)) ("PD Instruments"). References in this Prospectus to "Exempt Instruments" are to Instruments for which no prospectus is required to be published under the Prospectus Directive. **The CSSF has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Instruments and the CSSF assumes no responsibility in relation to issues of Exempt Instruments.**

The Programme provides that Instruments may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer. Each Issuer may also issue unlisted Instruments and/or Instruments not admitted to trading on any market.

In the case of each Tranche (as defined under "Terms and Conditions of the Instruments") of PD Instruments, notice of the aggregate nominal amount of the PD Instruments, interest (if any) payable in respect of the PD Instruments, the issue price of the PD Instruments and certain other information which is applicable to the relevant Tranche will be set out in a final terms document (the "Final Terms") which will be filed with the CSSF. Copies of the Final Terms in relation to PD Instruments to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). In the case of each Tranche of Exempt Instruments, notice of the aggregate nominal amount of Exempt Instruments, interest (if any) payable in respect of the Exempt Instruments, the issue price of the Exempt Instruments and certain other information which is applicable to the relevant Tranche will be set out in a pricing supplement document (the "Pricing Supplement"). In the case of Exempt Instruments, references herein to "Final Terms" shall be deemed to be references to "Pricing Supplement", so far as the context admits.

An investment in Instruments involves certain risks. Prospective purchasers of Instruments should ensure that they understand the nature of the relevant Instruments and the extent of their exposure to risks and that they consider the suitability of the relevant Instruments as an investment in the light of their own circumstances and financial condition. CERTAIN ISSUES OF INSTRUMENTS INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the relevant Instruments and are not relying on the advice of the relevant Issuer, (if applicable) the Guarantor or any Dealer in that regard. For a discussion of these risks see "Risk Factors" below.

Each of Fitch Ratings Ltd. ("Fitch"), Moody's Investors Service Limited ("Moody's") and Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's") is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such each of Fitch, Moody's and Standard & Poor's is included in the list of credit rating agencies registered in accordance with the CRA Regulation and published by the European Securities and Markets Authority ("ESMA") on its website at (<http://www.esma.europa.eu/page/list-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Instruments may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Instruments is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger and Dealer

EUROBANK ERGASIAS S.A.

IMPORTANT INFORMATION

This Prospectus comprises three base prospectuses, a base prospectus (the “ERB Hellas PLC Prospectus”) for the issuance of Instruments under the Programme by ERB Hellas PLC, a base prospectus (the “ERB Cayman Islands Prospectus”) for the issuance of Instruments under the Programme by ERB Hellas (Cayman Islands) Limited and a base prospectus (the “Bank Prospectus”) for the issuance of Instruments under the Programme by the Bank. Each base prospectus constitutes a base prospectus in respect of all Instruments for the relevant Issuer other than Exempt Instruments issued under the Programme for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the “Prospectus Directive”).

The ERB Hellas PLC Prospectus consists of this Prospectus except for the information set out under “ERB Hellas (Cayman Islands) Limited”. Each of ERB Hellas PLC and the Bank accepts responsibility for the information set out in the ERB Hellas PLC Prospectus and any applicable Final Terms in relation to which ERB Hellas PLC is the relevant Issuer. Having taken all reasonable care to ensure that such is the case, the information contained in the ERB Hellas PLC Prospectus is, to the best of the knowledge of each of ERB Hellas PLC and the Bank, in accordance with the facts and does not omit anything likely to affect the import of such information.

The ERB Cayman Islands Prospectus consists of this Prospectus except for the information set out under “ERB Hellas PLC”. Each of ERB Hellas (Cayman Islands) Limited and the Bank accepts responsibility for the information set out in the ERB Cayman Islands Prospectus and any applicable Final Terms in relation to which ERB Hellas (Cayman Islands) Limited is the relevant Issuer. Having taken all reasonable care to ensure that such is the case, the information contained in the ERB Cayman Islands Prospectus is, to the best of the knowledge of each of ERB Hellas (Cayman Islands) Limited and the Bank, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bank Prospectus consists of this Prospectus except for the information set out under “ERB Hellas (Cayman Islands) Limited” and “ERB Hellas PLC”. The Bank accepts responsibility for the information set out in the Bank Prospectus and any applicable Final Terms in relation to which the Bank is the relevant Issuer. Having taken all reasonable care to ensure that such is the case, the information contained in the Bank Prospectus is, to the best of the knowledge of the Bank, in accordance with the facts and does not omit anything likely to affect the import of such information.

In relation to Exempt Instruments, the applicable Pricing Supplement will (if applicable) specify the nature of the responsibility taken by the relevant Issuer and (if applicable) the Guarantor for the information relating to any Reference Item(s) (as defined under “Risk Factors” below) to which the relevant Exempt Instruments relate and which is contained in such Pricing Supplement. However, unless otherwise expressly stated in the applicable Pricing Supplement, any information contained therein relating to any Reference Item(s) will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item(s). Unless otherwise expressly stated in the applicable Pricing Supplement, the relevant Issuer and (if applicable) the Guarantor accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) and, so far as the relevant Issuer and (if applicable) the Guarantor are aware and are able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Reference Item(s), no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus should be read and construed with any supplement hereto and with any documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference”) and, in relation to any Tranche of Instruments, should be read and construed together with the applicable Final Terms.

No person has been authorised by any Obligor (as defined in “Risk Factors” below) to give any information or to make any representation not contained in, or not consistent with, this Prospectus or any other document entered into in relation to the Programme or any information supplied by an Obligor and, if given or made, such information or representation should not be relied upon as having been authorised by any Obligor or any Dealer.

No representation or warranty is made or implied by any of the Dealers or any of their respective affiliates, and none of the Dealers and their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no material adverse change in the prospects of any Obligor since the date thereof or, if later, the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by each Obligor and the Dealers to inform themselves about, and to observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Instruments, see “Subscription and Sale”. In particular, the Instruments have not been and will not be registered under the United States Securities Act of 1933 (as amended) and are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. In addition, unless specifically indicated to the contrary in the applicable Pricing Supplement in the case of an issue of Exempt Instruments, no action has been taken by any Obligor or the Dealers which is intended to permit a public offering of any Instruments outside Luxembourg or any other Member State of the European Economic Area to which this document may be passported in accordance with the procedures under Article 18 of the Prospectus Directive or distribution of this Prospectus in any jurisdiction where action for that purpose is required.

Neither this Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by any Obligor, the Dealers or any of them that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Instruments. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the relevant Issuer and (if applicable) the Guarantor.

TABLE OF CONTENTS

OVERVIEW OF THE PROGRAMME	5
RISK FACTORS	17
DOCUMENTS INCORPORATED BY REFERENCE	62
IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF INSTRUMENTS GENERALLY	64
GENERAL DESCRIPTION OF THE PROGRAMME.....	65
TERMS AND CONDITIONS OF THE INSTRUMENTS	66
PROVISIONS RELATING TO THE INSTRUMENTS WHILST IN GLOBAL FORM	118
FORM OF FINAL TERMS	123
USE OF PROCEEDS	152
CAPITALISATION	153
THE ACQUISITIONS.....	154
EUROBANK ERGASIAS S.A.	157
RISK MANAGEMENT.....	198
ERB HELLAS PLC.....	214
ERB HELLAS (CAYMAN ISLANDS) LIMITED	217
THE BANKING SECTOR AND THE ECONOMIC CRISIS IN GREECE.....	220
REGULATION AND SUPERVISION OF BANKS IN GREECE.....	250
FORM OF THE DEED OF GUARANTEE	269
TAXATION.....	277
SUBSCRIPTION AND SALE	291
GENERAL INFORMATION	295

In connection with the issue of any Tranche of Instruments, the Dealer or Dealers (if any) named as the Stabilising Institution(s) (or persons acting on behalf of any Stabilising Institution(s)) in the applicable Final Terms may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Institution(s) (or persons acting on behalf of a Stabilising Institution) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Instruments is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Any such stabilisation action or over-allotment must be conducted by the relevant Stabilising Institution(s) (or person(s) acting on behalf of any Stabilising Institution(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following is an overview only and should be read in conjunction with the rest of this Prospectus and, in relation to any Instruments, in conjunction with the applicable Final Terms and, to the extent applicable, the Terms and Conditions of the Instruments set out herein. Any decision to invest in any Instruments should be based on a consideration of this Prospectus as a whole, including any documents incorporated by reference, by any investor. The Issuers, the Guarantor and any relevant Dealer may agree that Instruments shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of PD Instruments only and, if appropriate, a supplement to this Prospectus or a new Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 (as amended) implementing the Prospectus Directive (the "Prospectus Regulation").

Words and expressions defined in "Terms and Conditions of the Instruments" shall have the same meanings in this Overview.

Information relating to the Issuers and the Guarantor

Issuers:	<p>ERB Hellas PLC, a public limited company incorporated under the laws of England and Wales with registration number 3798157. The registered office of ERB Hellas PLC is at 1st Floor, 25 Berkeley Square, London W1J 6HN, United Kingdom, with telephone number +44(0)207 973 8630.</p> <p>ERB Hellas (Cayman Islands) Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands with number CR 117363. The registered office of ERB Hellas (Cayman Islands) Limited is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands, with telephone number +1 (345) 945 3901.</p> <p>Eurobank Ergasias S.A., a public company limited by shares incorporated under the laws of the Hellenic Republic with General Commercial Registry number 000223001000. The registered office of ERB Eurobank Ergasias S.A. is at 8 Othonos Street, Athens 10557, Greece, with telephone number +30 210 333 7000.</p>
Guarantor of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited:	Eurobank Ergasias S.A.
Business of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited:	Each of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited is a finance subsidiary of the Bank whose principal business is raising debt to be deposited with the Bank.
Business of the Bank:	<p>The Bank is currently the third largest bank in Greece in terms of assets.</p> <p>In Greece, the Bank enjoys leading positions in Retail Banking, Small and Medium-Sized Enterprises ("SMEs"), Investment</p>

Banking, Capital Markets, Private Banking and Asset Management. The Bank is also active in the wider financial services sector, with a presence in areas such as insurance, real estate and payroll services.

The Bank operated a total network of more than 1,100 branches, business centres and points of sale as at the end of 2013, in Greece and in Central, Eastern and South-eastern Europe ("New Europe"), offering a wide range of banking and financial services to its individual and corporate clients. The Bank is a public company under Greek law, listed on the Athens Exchange since April 1999. It is subject to regulation and supervision by the Bank of Greece and as of 3 November 2014 by the ECB (as defined below) pursuant to the provisions of Regulation 1024/2013. The Bank is also regulated by the Hellenic Capital Market Commission.

Risk Factors:

Risks relating to ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A.

There are certain factors which may affect the relevant Issuer's ability to fulfil its obligations under any Instruments issued by it and (if applicable) the Guarantor's ability to fulfil its obligations under the Deed of Guarantee. These include the following:

- each of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited is a finance vehicle whose principal purpose is to raise debt to be deposited with the Bank. Accordingly, if the Bank's financial condition was to deteriorate, the Issuers and investors in the Instruments may suffer direct and materially adverse consequences;
- uncertainty resulting from Greece's financial and economic crisis is likely to continue to have a significant adverse impact on the Bank's business;
- recessionary pressures in Greece stemming from the Second Economic Adjustment Programme may have a continuing adverse effect on the Bank;
- the Bank is currently restricted in its ability to obtain funding in the capital markets;
- an accelerated outflow of funds from customer deposits could cause an increase in costs of funding;
- there are risks associated with the Bank's need for additional capital and liquidity;
- regulatory requirements under the ECB Assessment are increasing and may adversely affect the Bank's funding cost;

- the Bank's wholesale borrowing costs and access to liquidity and capital have been negatively affected by a series of recent credit rating downgrades of the Bank and may be negatively affected by further downgrades;
- the Bank's borrowing costs and liquidity levels may be negatively affected by deteriorating asset valuations;
- the Bank is exposed to the risk of political instability in Greece;
- the Bank may not be able to pay dividends to its holders of ordinary shares and preference shares;
- the EU regulatory and supervisory framework may constrain the economic environment and adversely impact the operating environment of the Bank;
- the Group is vulnerable to on-going political disruptions and volatility in the global financial markets, including the sovereign debt crisis in the Eurozone;
- the Greek state, the European Commission and the HFSF exercise significant influence on the Bank;
- the implementation of the state aid restructuring plan could subject the Group to a variety of risks;
- changes in interest rates, foreign exchange rates, equity prices and other market factors affect the Bank's businesses;
- risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties;
- each of the Bank's businesses is subject to substantial regulation and regulatory oversight. Any significant regulatory developments could have an effect on how the Bank conducts its business and on the results of its operations;
- the Bank conducts significant international activities outside Greece and as a result, the Group is exposed to risks in these countries;
- liquidity risk is inherent in the Bank's businesses;
- operational risks are inherent in the Bank's businesses;
- the Bank is exposed to the risk of fraud and illegal activity and various cyber security and technological risks;

- additional taxes may be imposed on the Group; and
- there are risks to the Bank's business relating to the Bank's acquisition of New TT HPB and New Proton Bank.

Risks relating to Instruments

Certain issues of Instruments may involve a high degree of risk.

There are certain factors which are material for the purpose of assessing the market risks associated with investing in any Instruments, which include, without limitation, the fact that Instruments are unsecured obligations of the relevant Issuer and (if applicable) the fact that the obligations of the Guarantor under the Deed of Guarantee (as defined below) are unsecured, that there may be a time lag between valuation and settlement in relation to an Instrument, that there may be potential conflicts of interest, that market disruptions or other events may occur in respect of the particular Reference Item(s) (as defined under "Risks related to the structure of a particular issue of Instruments" in "Risk Factors") to which the amounts payable in respect of the relevant Instruments may relate, as specified in the applicable Pricing Supplement in the case of an issue of Exempt Instruments, that there may be taxation risks, that there may be illiquidity of the Instruments in the secondary market, that there may be the risk that performance of the relevant Issuer's obligations under the Instruments or (if applicable) the Guarantor's obligations under the Deed of Guarantee in respect thereof may become illegal, that there may be exchange rate risks and exchange controls and that the market value of the Instruments may be affected by the creditworthiness of the relevant Issuer and/or (if applicable) the Guarantor and a number of additional factors.

In addition, prospective investors in Exempt Instruments that are Reference Item Linked Instruments (as defined under "Risks related to the structure of a particular issue of Instruments" in "Risk Factors") should understand the risks of transactions involving Reference Item Linked Instruments and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Instruments in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Instruments and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Instruments may relate, as specified in the applicable Pricing Supplement.

Where the applicable Pricing Supplement specifies one or more Reference Item(s), the relevant Instruments will

represent an investment linked to the performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in the Instruments will depend upon the performance of such Reference Item(s).

See “Risks related to the structure of a particular issue of Instruments” in “Risk Factors”.

PROSPECTIVE PURCHASERS OF REFERENCE ITEM LINKED INSTRUMENTS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH THE MATURITY REDEMPTION AMOUNT AND ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED INSTRUMENTS.

CERTAIN ISSUES OF INSTRUMENTS (INCLUDING REFERENCE ITEM LINKED INSTRUMENTS) INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

Information relating to the Programme

Arranger: Eurobank Ergasias S.A.

Dealer: Eurobank Ergasias S.A.

and any other Dealers appointed from time to time by the Issuers either generally in respect of the Programme or in relation to a particular Tranche (as defined below).

Issue and Paying Agent: Deutsche Bank AG, London Branch

Initial Programme Amount: €25,000,000,000 in aggregate principal amount of Instruments outstanding at any one time, which may be increased, subject to compliance with the provisions of the Dealership Agreement (as defined under “Subscription and Sale”).

Distribution: Instruments will be issued on a syndicated or non-syndicated basis. Instruments will be issued in series (each, a “Series”). Each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) issued on different issue dates. The Instruments of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments of different denominations.

Form of Instruments: Instruments will be issued in bearer form or, in the case of Exempt Instruments, if so specified in the applicable Pricing

Supplement, in registered form. Each Tranche of Instruments to be issued in bearer form will be represented by a Temporary Global Instrument or (if so specified in the applicable Final Terms in respect of Instruments to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “TEFRA C Rules”) applies or to which TEFRA does not apply) a Permanent Global Instrument. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or, if so specified in the applicable Final Terms, for Definitive Instruments. Each Permanent Global Instrument will be exchangeable for Definitive Instruments in accordance with its terms (see further under “Provisions Relating to the Instruments Whilst in Global Form” below). In respect of each Tranche of Exempt Instruments to be issued in registered form, the provisions applicable thereto will be specified in the applicable Pricing Supplement. Any such Instruments in registered form will be held outside Euroclear and Clearstream, Luxembourg. In relation to Instruments in bearer form, see “Provisions Relating to the Instruments Whilst in Global Form” below.

- Currencies: Instruments may be denominated in any currency or currencies.
- Status of Instruments: Instruments may be issued on a subordinated or unsubordinated basis, as specified in the applicable Final Terms. Unsubordinated Instruments will contain a negative pledge as set out in Condition 5 and events of default, including a cross-acceleration provision as set out in Condition 11.1. Subordinated Instruments will not contain a negative pledge and will have limited events of default (with no cross-acceleration provision) as set out in Condition 11.3.
- Status of Guarantee: Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated or an unsubordinated basis, as specified in the applicable Final Terms, pursuant to a Deed of Guarantee dated 27 May 2014 (the “Deed of Guarantee”).
- Issue Price: Instruments may be issued at any price and either on a fully or, in the case of Exempt Instruments only, partly paid basis, as specified in the applicable Final Terms.
- Terms of the Instruments: The following types of Instrument may be issued: (i) Instruments which bear interest at a fixed rate or a floating rate; (ii) Instruments which do not bear interest; (iii) Exempt Instruments which bear interest, and/or the Maturity Redemption Amount of which is, calculated by reference to specified Reference Item(s) such as movements in interest

rates within specified range(s) or by reference to specified benchmark(s) or movements in an index or indices or movements in a currency exchange rate or changes in the prices of one or more equity securities; and (iv) Instruments which have any combination of the foregoing features

Interest periods, rates of interest and the terms of and/or amounts payable on redemption will be specified in the applicable Final Terms.

Change of Interest/Payment Basis: Instruments may be converted from one interest and/or payment basis to another if so provided in the applicable Final Terms.

Maturities: Any maturity.

Any Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited which (i) have a maturity of less than one year and (ii) in the case of ERB Hellas (Cayman Islands) Limited only, if the issue proceeds are accepted in the United Kingdom, must (a) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA").

Exempt Instruments: The Issuers may issue Exempt Instruments which are Index Linked Instruments, Dual Currency Instruments or Exempt Instruments redeemed in one or more instalments. The Issuers may also issue Exempt Instruments which are Partly Paid Instruments in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree.

Index Linked Instruments: Payments of principal in respect of Index Linked Redemption Instruments or of interest in respect of Index Linked Interest Instruments will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.

Dual Currency Instruments: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Instruments will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.

Instruments redeemable in instalments: The relevant Issuer may issue Exempt Instruments which may be redeemed in

separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree.

The relevant Issuer, and in the case of Exempt Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, the Guarantor, may agree with any Dealer that Exempt Instruments may be issued in a form not contemplated by the Terms and Conditions of the Instruments, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Index Linked Instruments:

Index Linked Instruments are Exempt Instruments. Payments of interest in respect of Index Linked Interest Instruments will be calculated by reference to a single index or a basket of indices and/or such formula as specified in the applicable Pricing Supplement.

Payments of principal in respect of Index Linked Redemption Instruments will be calculated by reference to a single index or a basket of indices. Each nominal amount of such Exempt Instruments equal to the Calculation Amount specified in the applicable Pricing Supplement will be redeemed by payment of the Maturity Redemption Amount specified in the applicable Pricing Supplement.

If an Index Adjustment Event (as defined in the “Terms and Conditions of the Instruments” and relating to a relevant index modification, cancellation or disruption) occurs, the relevant Issuer may require certain adjustments to be made including potentially a substitution of the relevant index or may redeem the Exempt Instruments, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement.

Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

Equity Linked Instruments:

Equity Linked Instruments are Exempt Instruments. Payments of interest in respect of Equity Linked Interest Instruments will be calculated by reference to a single equity security or basket of equity securities on such terms as specified in the applicable Pricing Supplement.

Payments of principal in respect of Equity Linked Redemption Instruments will be calculated by reference to a single equity security or a basket of equity securities. Each nominal amount of such Exempt Instruments equal to the Calculation Amount specified in the applicable Pricing Supplement will be redeemed by payment of the Maturity Redemption Amount specified in the Pricing Supplement. An investment in Equity Linked Redemption Instruments may bear similar risks to a direct equity investment and investors should take advice

accordingly.

If Potential Adjustment Events and/or De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer are specified as applying in the applicable Pricing Supplement, the Exempt Instruments may be subject to adjustment (including, if “Equity Substitution” is specified as applying in the applicable Pricing Supplement, substitution of a relevant equity security by another) or, if De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer are specified as applying in the applicable Pricing Supplement, redeemed, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement.

Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to such Exempt Instruments.

Payments of principal and interest in respect of Equity Linked Instruments will be settled in cash only.

Additional Disruption Events (Index Linked Instruments and Equity Linked Instruments only):

Additional Disruption Events are applicable in the case of Exempt Instruments only. If Additional Disruption Events are specified as applying in the applicable Pricing Supplement and any such event as specified occurs, the Exempt Instruments will be subject to adjustment or may be redeemed, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement.

Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

Disrupted Days:

Disrupted Days are applicable in the case of Exempt Instruments only. Where the Exempt Instruments are Index Linked Instruments or Equity Linked Instruments, the Calculation Agent may determine that a Disrupted Day has occurred or exists at a relevant time. Any such determination may have an effect on the value of the Exempt Instruments and/or may delay settlement in respect of the Instruments.

Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

Illegality:

In the event that the relevant Issuer determines that the performance of the relevant Issuer’s obligations under any Instruments or (if applicable) the Guarantor’s obligations in respect thereof under the Deed of Guarantee has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the relevant Issuer may redeem all (but not some only) of

such Instruments, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Final Terms, together, if appropriate, with accrued interest.

Autocallable Instruments: Autocallable Instruments are Exempt Instruments. If Autocall is specified as applying in the applicable Pricing Supplement and an Autocall Event (as set out in the applicable Pricing Supplement) occurs, the Exempt Instruments will be redeemed, each Calculation Amount being redeemed at the Autocall Redemption Amount specified in the applicable Pricing Supplement.

Redemption: The applicable Final Terms relating to each Tranche will indicate either that such Instruments cannot be redeemed prior to their stated maturity (other than in the case of Exempt Instruments in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default or on an illegality or, in the case of Exempt Instruments to which Autocall is specified as applying in the applicable Pricing Supplement, following an Autocall Event, or, in the case of Index Linked Instruments, following an Index Adjustment Event, or, in the case of Equity Linked Instruments and if so specified as applying in the applicable Pricing Supplement, following a De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer, or, in the case of Index Linked Instruments or Equity Linked Instruments and if so specified in the applicable Pricing Supplement, following an Additional Disruption Event subject, in the case of Subordinated Instruments, under the requirements of applicable law, to consent thereto having been obtained from the Bank of Greece or the ECB (as defined below), as the case may be) or that such Instruments will be redeemable at the option of the relevant Issuer and/or the Holders upon giving the required notice, on a specified date or dates and at a price or prices and on such terms as are indicated in the applicable Final Terms.

The applicable Pricing Supplement may provide that Exempt Instruments may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.

Denominations: Instruments will be issued in such denominations as may be specified in the applicable Final Terms. The minimum denomination of each PD Instrument admitted to trading on a regulated market within the European Economic Area and/or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or the equivalent amount in the relevant currency).

Taxation: Unless required by law, all payments in respect of the Instruments will be made without deduction for, or on account of, withholding taxes of the United Kingdom (in the case of Instruments issued by ERB Hellas PLC) or the Cayman

Islands (in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited) or the Hellenic Republic (in the case of Instruments issued by Eurobank Ergasias S.A.), as the case may be, and (in the case of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited) all payments by the Guarantor under the Deed of Guarantee will be made without deduction for, or on account of, withholding taxes of the Hellenic Republic, as provided in Condition 12. In the event that any such deduction is required, the relevant Issuer or, as the case may be, the Guarantor (if applicable) will, save in certain limited circumstances provided in Condition 12, be required to pay additional amounts as will result in the receipt by Holders of the relevant Instruments of such net amount as they would have received had no such deduction been required.

All payments in respect of the Instruments will be made subject to any withholding or deduction required pursuant to FATCA (as defined below), as provided in Condition 13C.

Governing Law:

The Instruments and the Deed of Guarantee and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law except that (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22 shall be governed by, and construed in accordance with, the laws of the Hellenic Republic and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (the "Regulation").

Listing and Admission to Trading:

Application has been made to the CSSF to approve each of (i) the ERB Hellas PLC Prospectus, (ii) the ERB Cayman Islands Prospectus and (iii) the Bank Prospectus as a base prospectus. Application has also been made for PD Instruments issued under the Programme to be listed on the Luxembourg Stock Exchange.

Instruments may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets or not listed or admitted to trading on any market. The applicable Final Terms will state whether or not the relevant Instruments are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Terms and Conditions:

Final Terms will be prepared in respect of each Tranche of Instruments. A copy of such Final Terms will, in the case of PD Instruments to be listed on the Luxembourg Stock Exchange or offered to the public in the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, be delivered to the

Luxembourg Stock Exchange and/or the CSSF on or before the date of issue of such PD Instruments. The terms and conditions applicable to each Tranche of PD Instruments will be those set out herein under “Terms and Conditions of the Instruments” as completed by Part A of the applicable Final Terms. The terms and conditions applicable to each Tranche of Exempt Instruments will be those set out herein under “Terms and Conditions of the Instruments” as modified, amended and/or completed by Part A of the applicable Pricing Supplement.

For Instruments in global form, holders will have the benefit of, in the case of Instruments issued by ERB Hellas PLC, a Deed of Covenant executed by ERB Hellas PLC dated 27 May 2014, in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited, a Deed of Covenant executed by ERB Hellas (Cayman Islands) Limited dated 27 May 2014 and, in the case of Instruments issued by the Bank, a Deed of Covenant executed by the Bank dated 27 May 2014, copies of which will be available for inspection at the specified office of the Issue and Paying Agent.

Clearing Systems:

Euroclear, Clearstream, Luxembourg and/or, in relation to any Instruments, any other clearing system as may be specified in the applicable Final Terms.

Bondholders' Agent:

In the case of Instruments issued by the Bank (“Bank Instruments”) to which Greek law 3156/2003 applies and for the purposes of which the appointment of a Bank Holders’ Agent (as defined below) is required, as per Greek law 3156/2003, the Bank shall appoint an agent of the Holders of Bank Instruments (the “Bank Holders’ Agent”) in accordance with Condition 22 of the Instruments.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material in the United States of America, the European Economic Area (including the United Kingdom, Greece and the Republic of France), Japan and the Cayman Islands, see under “Subscription and Sale”.

RISK FACTORS

THE PURCHASE OF CERTAIN INSTRUMENTS MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE RELEVANT INSTRUMENTS. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE PURCHASERS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE RELEVANT ISSUER, (IF APPLICABLE) THE GUARANTOR OR ANY DEALER.

AN INVESTMENT IN EXEMPT INSTRUMENTS LINKED TO ONE OR MORE REFERENCE ITEM(S) MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE RELEVANT ISSUER ON REDEMPTION OF SUCH EXEMPT INSTRUMENTS MAY BE LESS THAN THE NOMINAL AMOUNT OF SUCH INSTRUMENTS, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

CERTAIN ISSUES OF INSTRUMENTS INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

Each of ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and the Bank (each an “Obligor” and, together the “Obligors”) believes that the following factors may affect its ability to fulfil its obligations under Instruments issued under the Programme. All of these factors are contingencies which may or may not occur and none of the Obligors is in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Obligors believe may be material for the purpose of assessing the market risks associated with Instruments issued under the Programme are also described below.

Each of the risks highlighted below could adversely affect the trading price of any Instruments or the rights of investors under any Instruments and, as a result, investors could lose some or all of their investment.

Each of the Obligors believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the relevant Issuer or (if applicable) the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Instruments for other reasons and none of the Obligors represents that the statements below regarding the risks of holding any Instruments are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision as these risk factors cannot be deemed complete.

Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in “Terms and Conditions of the Instruments” below.

FACTORS THAT MAY AFFECT AN OBLIGOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER INSTRUMENTS ISSUED UNDER THE PROGRAMME

Factors relating to ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited

Each of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited is a finance vehicle whose principal purpose is to raise debt to be deposited with the Bank. Accordingly, neither ERB Hellas PLC nor ERB Hellas (Cayman Islands) Limited has any trading assets and generates trading income. Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited under the Programme are guaranteed on a subordinated or an unsubordinated basis, as specified in the applicable Final Terms, pursuant to the Deed of Guarantee. Accordingly, if the Guarantor's financial condition was to deteriorate, such Issuers and investors in such Instruments may suffer direct and materially adverse consequences.

The auditor's report given in respect of the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2013 contained the following paragraph:

"Emphasis of matter

Without qualifying our opinion, we draw attention to notes 3 and 4, which refer to the methodology applied to value the available for sale equity securities for which no active market existed at the balance sheet date and the possible impact of valuation sensitivities on the financial position of the Company."

References above to "notes 3 and 4" are to the notes to the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2013 incorporated by reference in this Prospectus.

The auditor's report given in respect of the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2012 contained the following paragraph:

"Emphasis of matter

Without qualifying our opinion, we draw attention to the disclosures in note 2 regarding the Company's ability to continue as a going concern. The recently completed Parent's recapitalisation, the adverse impact on the Parent's regulatory capital following the change in the Greek regulatory framework and the existing uncertainties arising from the expected completion of the planned actions by the Parent to fully restore its capital adequacy, indicate the existence of a material uncertainty that may cast significant doubt about the Parent's and therefore the Company's ability to continue as a going concern."

References above to note 2 are to the notes to the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2012 incorporated by reference in this Prospectus.

The auditor's report given in respect of the audited financial statements of ERB Hellas PLC for the year ended 31 December 2012 contained the following paragraph:

"Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of disclosure in notes 2 and 3 regarding the Company's ability to continue as a going concern. The recently completed Parent Company's (Eurobank Ergasias S.A.) recapitalisation, the adverse impact in its regulatory capital following the change in the Greek regulatory framework and the existing uncertainties arising from the expected completion of the planned actions to fully restore

its capital adequacy indicate the existence of a material uncertainty that may cast significant doubt about the Parent Company's and therefore the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern."

References above to notes 2 and 3 are to the notes to the audited financial statements of ERB Hellas PLC for the year ended 31 December 2012 incorporated by reference in this Prospectus.

Risks Relating to Greece

Uncertainty resulting from Greece's financial and economic crisis has had and is likely to continue to have a significant adverse impact on the Bank's business, results of operations, financial condition and prospects.

The composition of the Bank's assets, business, results of operations, financial condition and prospects depend on the macroeconomic and political conditions in Greece. As at and for the year ended 31 December 2013, 64.3 per cent. of the Bank's operating income and 83.3 per cent. of the Bank's total assets were derived from or related to the Bank's operations in Greece. The Greek economy experienced in 2013 its sixth consecutive year of financial recession, and Greece continues to face unprecedented pressure in its public finances. Over the last two years, Greece has committed to certain structural measures intended to restore competitiveness and promote economic growth in the country, as part of a bailout package agreed with the IMF, the European Commission and the ECB (collectively referred to as the "Troika"), involving implementation of fiscal adjustment policies and growth-enhancing structural reforms.

As a result of the PSI (the programme of voluntary exchange of Greek Government bonds completed in April 2012 which offered private investors the opportunity to exchange certain eligible Greek Government bonds on certain terms), as well as the Second Economic Adjustment Programme (the IMF/Eurozone stabilisation and recovery programme as replaced by a second economic adjustment programme in March 2012 and amended in November 2012 (the "Second Economic Adjustment Programme")) for the financial support of Greece and provisions which have been established for providing additional debt relief to Greece and Greek banks (see "The Banking Sector and the Economic Crisis in Greece" and "Regulation and Supervision of Banks in Greece"), Greece is expected to have more time to implement fiscal adjustment policies and growth-enhancing structural reforms. In addition, the PSI has resulted in a significant decline of the Greek sovereign debt burden by approximately 50 per cent. of GDP, as well as a sharp reduction in debt servicing needs through lower interest rates and a substantial extension of the average debt maturity of Greek Government bonds. However, the net impact of these actions was substantially reduced by the assumption of new sovereign borrowing of €50 billion from the European Financial Stability Facility (the "EFSF") in order to recapitalise the Greek banks. The completion of the buy-back of Greek Government bonds by Greece in December 2012 (the "Buy-Back Programme") pursuant to the Second Economic Adjustment Programme provided an additional debt relief of at least 9.5 per cent. of GDP, while the restructuring of interest payments under loans owed to the EFSF and the further decrease in interest rates of official sector loans granted to Greece will further decrease the servicing cost of the Greek sovereign debt burden. These actions, however, have resulted in significant impairment losses for Greek banks, including Eurobank.

Eurobank and its consolidated subsidiaries (the "Group") participated in the PSI by exchanging all its eligible Greek Government bonds and loans guaranteed by the Greek state with a nominal value of €7.3 billion for (i) new Greek Government bonds with a face value equal to 31.5 per cent. of the old Greek Government bonds, (ii) EFSF notes having a face amount of 15 per cent. of the exchanged securities and (iii) a security linked to Greek GDP in accordance with the terms announced by the Greek Government. For the year ended 31 December 2011, as a result of participating in the PSI, the Group recognised an impairment loss of €5.8 billion, which was calculated based on the difference between the carrying amount of the Group's Greek Government bonds and the fair value

of the new Greek Government securities that were received in the exchange, based on the assumption that there was an inactive market for the new Greek Government bonds issued in the PSI. The reassessment of market conditions in 2012 led to the recognition of an additional impairment loss resulting from the exchange amounting to €428 million before tax.

The Group also participated in Greece's invitation of December 2012 concerning the Buy-Back Programme, submitting for exchange all its Greek Government bonds of a nominal value of €2.3 billion and a carrying amount of €0.6 billion. As a result of its participation in the Buy-Back Programme, the Group recognised a gain of €192 million before tax in the fourth quarter of 2012.

The Second Economic Adjustment Programme also includes a comprehensive strategy for the recapitalisation of the Greek banking system following PSI-related losses and the detrimental impact of a prolonged recession on quality of loans made by Greek banks. However, there can be no assurance that the PSI and the Buy-Back Programme together with the implementation of the Second Economic Adjustment Programme in accordance with its terms will lead to its stated objectives or have the anticipated effects. Failure to successfully implement the Second Economic Adjustment Programme may lead to termination of the financial support by the IMF and the EU, which would create the conditions for a new credit event with respect to Greek sovereign debt or lead to a default by Greece on its sovereign debt which would include both marketable instruments and official sector loans from EU Member States.

Greece has little, if any, margin to absorb additional adverse shocks or slippages in the implementation of the Second Economic Adjustment Programme. In the event that policy implementation takes longer than expected or falls short of expectations, the Greek economy takes longer than expected to respond to labour market and other structural reforms designed to help enhance competitiveness, or the fiscal impact of recession is higher than estimated, the likely result would be a higher debt trajectory than that suggested by the post-PSI analysis underlying the Second Economic Adjustment Programme. Such slippages could even outweigh the benefits from the additional debt and funding relief provided to Greece by the decisions of the Eurozone finance ministers (the "Eurogroup") and the IMF of 27 November 2012 and 13 December 2012 and the successful completion of the Buy-Back Programme in December 2012.

Even if Greece successfully implements the Second Economic Adjustment Programme, government debt as a percentage of GDP was 175.7 per cent. in 2013 according to the IMF (July 2013) and is projected to be 168.1 per cent. of GDP in 2015. The debt sustainability depends, among other things, on the real GDP growth rates. It remains uncertain whether the Greek economy will grow sufficiently in order to keep pace with the GDP growth targets for debt sustainability, and additional debt relief may be needed. This relief could occur through new changes in conditions of official sector loans, further restructuring of Greek Government bonds or a direct haircut on official sector loans or loans from the EFSF or any other measure. Failure of Greece to agree with its creditors on a credible way to restore long-term debt sustainability and cover possible additional needs of the country for external financing in upcoming years, in the event there are deviations from the Second Economic Adjustment Programme, may result in a credit crisis with respect to Greek sovereign debt occurring prior to the completion of the Second Economic Adjustment Programme.

The uncertainty relating to the implementation of the Second Economic Adjustment Programme and the Greek sovereign debt reduction through the PSI has directly affected the capital levels, liquidity and profitability of the Greek financial system and consequently of the Bank. The limited liquidity in the Greek banking system reflects an effective closing of market financing since the end of 2009 and a sizeable contraction of the domestic deposit base since the third quarter of 2009 (31.4 per cent. cumulatively as at 31 December 2013, according to Bank of Greece data). Please see "—Eurobank is currently restricted in its ability to obtain funding in the capital markets and is heavily dependent on the ECB and the Bank of Greece for funding; changes in ECB and Bank of Greece rules relating to the eligibility of collateral used for funding could further restrict the Bank's access to funding".

A failure of the Second Economic Adjustment Programme to result in a marked improvement in the Greek economy would have significant adverse consequences for the Bank. If another credit crisis with respect to the Greek sovereign debt or an additional restructuring of Greek Government bonds were to occur, the Bank's regulatory capital would be severely affected due to the Bank's direct exposure to Greek sovereign debt, requiring the Bank to raise additional capital and thus diluting existing shareholders significantly. Furthermore, there would be no assurance that the Bank could raise all of the required additional capital on acceptable terms. See also "The Banking Sector and the Economic Crisis in Greece".

Even if the Second Economic Adjustment Programme is successfully implemented, the Greek economy may not achieve the sustained and robust growth that is necessary to ease the financial constraints on the country and improve conditions for foreign direct investment and the availability of funding from the capital markets. Notwithstanding the Second Economic Adjustment Programme, the Greek economy will continue to be affected by the credit risk of other countries in the EU, the creditworthiness of commercial counterparties internationally and the repercussions arising from changes to the European institutional framework, which may contribute to continuing investor fears regarding Greece's capacity to honour its financial commitments. In addition, a continued depression in the Greek economy will have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Recessionary pressures in Greece stemming from the Second Economic Adjustment Programme have had and may continue to have an adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank's business activities are dependent on the level of demand for the banking, finance and financial products and services the Bank offers, as well as the Bank's customers' capacity to repay their liabilities. In particular, the levels of savings and credit demand are heavily dependent on customer confidence, employment trends and the availability and cost of funding.

The 26.2 per cent. cumulative decline in real GDP of Greece between the end of 2007 (the last year with a positive GDP growth) and the end of 2013 (according to the Hellenic Statistical Authority, or ELSTAT), coupled with a substantial unemployment rate of 27.3 per cent. reported by ELSTAT at the end of 2013, resulted in significant reductions in disposable income, consumption and debt repayment capacity of the Greek private sector. A protracted period of financial recession in Greece has materially and adversely affected the liquidity, business activity and financial conditions of borrowers, which in turn has led to further increases in 90dpd loans, impairment charges on the Bank's loans and other financial assets and decreased demand for borrowings in general and increased deposit outflows.

Although the Group has experienced a growth in deposits since June 2012, new loans to businesses and households are expected to remain subdued for the Group and in Greece in general, as the sizeable downward pressure on household disposable incomes and firms' profitability from the austerity measures, as well as the resulting deterioration in the business environment against a backdrop of tighter credit criteria and stressed liquidity conditions, are likely to impair further demand for granting of loans and for other financial services. In addition, the need to reduce the Bank's dependency on Eurosystem funding may increase the trend of deleveraging, especially if the growth of deposits does not follow the expected improvement of economic activity and increased confidence in the banking system. Moreover, the Bank's customers may decrease their interest in non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Bank's fee and commission income. In addition, in the context of continued market turmoil, worsening macroeconomic conditions and increasing unemployment, coupled with declining consumer spending and business investment and the worsening credit profile of the Bank's corporate and retail borrowers, the value of assets collateralising the Bank's secured loans, including houses and other real estate, could decline significantly. Such a decline could result in impairment of the value of the Bank's loan assets or an increase in the level of past due loans, either of which may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Finally, if the Second Economic Adjustment Programme is not implemented successfully — especially with respect to the structural reform agenda — or if additional austerity measures beyond those agreed to in the Second Economic Adjustment Programme are required to counterbalance potential deviations from the Second Economic Adjustment Programme’s targets (such as what took place in Cyprus, see “ — Risks Relating to the Bank’s Business — The debt crisis in Cyprus and the sustainability problems which its financial sector faces, the consequences of which cannot be immediately and accurately determined, has caused intense uncertainty and may adversely affect the Bank’s business, financial condition, results of operations and prospects”), the Greek economy may experience a continuation of the recession or a slower than anticipated recovery in 2014 and 2015, as it did in 2011 and 2012, resulting in a further delayed recovery and a further adverse effect on the Bank’s business, financial condition, results of operations and prospects.

Eurobank is currently restricted in its ability to obtain funding in the capital markets and is heavily dependent on the ECB and the Bank of Greece for funding; changes in ECB and Bank of Greece rules relating to the eligibility of collateral used for funding could further restrict the Bank’s access to funding.

The on-going economic crisis in Greece has adversely affected the Bank’s credit risk profile, restricted its access to the international markets for funding, increased the cost of such funding and the need for additional collateral requirements in customer repurchase contracts and other secured funding arrangements, including those with the Eurosystem. Concerns relating to the on-going impact of these conditions may further restrict the Bank’s ability to obtain funding in the capital markets in the medium term. The severity of pressure experienced by Greece in its public finances has restricted the access of the Bank to the capital markets for funding because of concerns by counterparty banks and other lenders, particularly for unsecured funding and funding from the short-term inter-bank market. These markets have been effectively closed to all Greek banks since the end of 2009. As a result, maturing inter-bank liabilities have not been renewed, or have been renewed only at higher costs. In Q1, for the first time since 2009, one of the four systemic banks successfully tapped the debt capital markets with the issuance of a EUR 500 million three-year senior note while the Greek state returned to the international capital markets for the first time since 2010, in April 2014, with the successful issuance of a five-year euro-bond. The trend followed with the issuance of a five-year euro-bond of 750 million by another Greek systemic bank followed also in April 2014. Despite positive market reaction and the improvement of the economic climate, Greek banks continue to face the consequences of the recession and the inability of many borrowers to service their debt obligations.

In addition, deposit outflows beginning in late 2009 and lasting through the middle of 2012, continue to put pressure on the liquidity position of many Greek banks despite recent inflows. Political initiatives at an EU level for amendments to the framework for supporting credit institutions could result in the shareholders, creditors and unsecured depositors sharing the burden of the recapitalisation and/or liquidation of troubled banks, and/or the taxation of deposits, which may result in a loss of customer confidence in the countries in which the Bank operates and further outflows of deposits from the banking system (see “—An accelerated outflow of funds from customer deposits could cause an increase in the Bank’s costs of funding and have a material adverse effect on the Bank’s business, financial condition, results of operations and prospects”). Consequently, the Bank’s ECB funding and funding from the Bank of Greece, through the ELA (which has less strict collateral rules but carries a higher rate of interest, 2 per cent. compared to 0.25 per cent. for ECB funding), has increased considerably since the start of the crisis. As at 31 December 2013, the Bank’s Eurosystem funding amounted to €16.9 billion, of which €5.6 billion was through the ELA, while as at 31 March 2014, the Bank’s net Eurosystem funding amounted to €16.3 billion.

In addition, if the ECB or the ELA were to revise their collateral standards or increase the rating requirements for collateral securities such that the instruments the Bank currently uses as collateral with the ECB and the ELA, which include the Bank’s covered bonds, were not eligible to serve as collateral with the ECB or the ELA, the Bank’s funding costs could significantly increase and its

access to liquidity could be limited. For example, this occurred in the second half of 2012, when the ECB revised its collateral standards, which resulted in the Bank being unable to access ECB funding and being forced to utilise funding from the ELA, significantly increasing its cost of funding due to the higher interest rate of ELA funding compared with ECB funding. The ECB has announced that, as at March 2015, the use as collateral of uncovered government-guaranteed bank bonds that have been issued by the counterparty itself or an entity closely linked to that counterparty will not be permitted for funding through the ECB and a similar limitation for their use as collateral in ELA funding could also be established. In addition, the Bank uses its covered bonds as collateral with the ECB and the ELA. The Bank's covered bonds may also become ineligible for use as collateral in the future, as a result of further credit ratings downgrades or changes in the ECB or ELA rules currently permitting this collateral. A further downgrade or withdrawal of Greek sovereign ratings would likely have a material adverse effect on the Bank's ability to continue to access current levels of funding from the ECB, the ELA or from any other source.

A continued loss of deposits and the prolonged need for additional Eurosystem funding may result in the exhaustion of the instruments held by the Group that are eligible to be used as collateral to obtain funding from the Eurosystem and may lead to funding issues for the Group.

An accelerated outflow of funds from customer deposits could cause an increase in the Bank's costs of funding and have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Historically, one of the Bank's principal sources of funds has been customer deposits. Since the Bank relies on customer deposits for the majority of its funding, if the Bank's depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if the Bank is unable to obtain the necessary liquidity by other means, the Bank would be unable to maintain its current levels of funding without incurring significantly higher funding costs or having to liquidate certain of the Bank's assets, or without increasing access to the Eurosystem under its then-current terms. As at 31 December 2013, the Group's customer deposits in Greece increased by 52.6 per cent. compared to 31 December 2012 and 44.5 per cent. compared to 31 December 2011. Customer deposits in Greece excluding the impact of the acquisition of New TT HPB and New Proton Bank, increased by 1.2 per cent. in the year ended 31 December 2013, compared with the year ended 31 December 2012.

The on-going availability of customer deposits to fund the Group's loan portfolio is subject to potential changes in certain factors outside the Group's control, such as depositors' concerns relating to the economy in general, the financial services industry or the Group specifically, the risk of implementation of changes in the framework for supporting the financial credit institutions that are having problems by requiring the participation of their respective shareholders, their creditors and their non-secured depositors and/or initiatives for taxation of deposits, significant further deterioration in economic conditions in Greece and the availability and extent of deposit guarantees. Any of these factors separately or in combination could lead to a sustained reduction in the Group's ability to access customer deposit funding on appropriate terms in the future, which would impact the Group's ability to fund its operations and meet its minimum liquidity requirements and have an adverse effect on the Group's business, financial condition, results of operations and prospects. Unusually high levels of withdrawals could have the result that the Bank or another member of the Group may not be in a position to continue to operate without additional funding support, which it may be unable to secure.

There are risks associated with the Bank's need for additional capital and liquidity, most notably from impairments, as well as deterioration in the Bank's portfolio's quality compared to previous estimates.

The Group is required by regulators in Greece and other countries in which it undertakes regulated activities to maintain adequate capital. Where it undertakes regulated activities elsewhere in the European Economic Area ("EEA"), it will remain subject to the minimum capital requirements

prescribed by the regulatory authority in Greece, except in jurisdictions where it has regulated subsidiaries, which will be subject to the capital requirements prescribed by local regulatory authorities. In jurisdictions where it has branches, including within the EEA, the Bank is also subject to local regulatory capital and liquidity requirements. The Bank, its regulated subsidiaries and its branches are subject to the risk of having insufficient capital resources to meet the minimum regulatory capital and/or liquidity requirements. In addition, those minimum regulatory capital requirements are likely to increase in the future and the methods of calculating capital resources may change. Likewise, liquidity requirements may come under heightened scrutiny, and may place additional stress on the Group's liquidity in the jurisdictions in which it operates.

As at 31 December 2013, the Group maintained a Core Tier I ratio equal to 10.4 per cent. and a pro forma Core Tier I ratio (taking into account the completion of the transaction with Fairfax and the implementation of the Basel II IRB credit risk methodology with respect to New TT HPB's mortgage portfolio) equal to 11.3 per cent. Moreover, on a pro forma basis and as the Bank raised €2,864 million in the share capital increase on 9 May 2014 by listing 9,238,709,677 new ordinary shares (the "Share Capital Increase"), as at 31 December 2013, the Bank's Core Tier I ratio would have been 19.0 per cent., including the total amount of the Bank's deferred tax assets permitted by the new Act 36/23.12.2013 of the Executive Committee of the Bank of Greece. Based on the Basel III rules, subject to certain exemptions and grandfathering rules, deferred tax assets existing before 31 December 2013 have to be excluded from Common Equity Tier 1 capital. Transitional rules will apply for 2018 phasing and final rules will be fully implemented starting from 1 January 2024, which allow for deferred tax assets dependent on future profitability and arising from temporary differences to contribute a maximum of 10 per cent. to Common Equity Tier 1 capital. Deferred tax assets not deducted from Common Equity Tier 1 capital are to be risk-weighted at 250 per cent.. Based on the above assumptions and assuming the full implementation of the Basel III rules in effect as of 1 January 2014, the Bank's pro forma Common Equity Tier 1 ratio and total capital adequacy ratio would have been 10.6 per cent. as at 31 December 2013.

In addition, following the BlackRock Updated Exercise conducted by BlackRock on the instructions of the Bank of Greece, on 6 March 2014, the Bank of Greece initially announced that the Group's additional capital needs were €2,945 million under the baseline scenario of the stress test and €4,980 million under the adverse scenario of the stress test. The Bank of Greece requested that the Bank submit its capital enhancement plan based on the baseline scenario by 15 April 2014 and its contingency plan, in the event that the adverse scenario were to materialise, for creating the relevant capital buffers, by 15 May 2014. The Bank submitted its capital enhancement plan based on the baseline scenario in March 2014. Following submission to the Bank of Greece of the Bank's capital enhancement plan, the initial assessment of €2,945 million was adjusted to €2,864 million. The main risks to the Bank's recapitalisation needs are: (a) the adverse economic environment in Greece, which may result in (i) a sharper deterioration in the quality of the loan portfolio than those projected by the BlackRock Updated Exercise and (ii) weak pre-provision profits in the domestic market; and (b) a weaker international environment, which may lead to lower-than projected profits from the Bank's international subsidiaries.

The objective of the Share Capital Increase was to increase the Bank's Core Tier I capital by €2,864 million as prescribed by Decision 109/8.4.2014 of the Credit and Insurance Committee of the Bank of Greece on 8 April 2014. However, even though the Bank has met these capital requirements, the above risks could result in further recapitalisation needs in the future.

If the Group is not able to meet its capital requirements by raising funds from the capital markets, it may need to seek additional funding by means of new state support, thereby increasing the likelihood that the shareholders will be subject to limitations on their rights, suffer significant dilution in their shareholding and/or incur significant losses in their investments.

Regulatory requirements under the ECB Assessment are increasing and once implemented, may adversely affect the Bank's funding cost and consequently the Bank's business, financial condition, results of operations and prospects.

On 23 October 2013, the ECB announced details of the comprehensive assessment to be conducted in preparation of the ECB assuming full supervisory responsibility as part of the single supervisory mechanism (the "SSM"). The ECB Assessment commenced in November 2013 and will take 12 months to complete. It is being carried out in collaboration with the national competent authorities ("NCAs") of the Member States that participate in the SSM and will be supported by independent third parties at all levels at the ECB and NCAs.

The ECB Assessment consists of three elements, which are closely interlinked: i) a supervisory risk assessment to review, quantitatively and qualitatively, key risks, including liquidity, leverage and funding; ii) an asset quality review to enhance the transparency of bank exposures by reviewing the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions; and iii) a stress test to examine the resilience of banks' balance sheets to stress scenarios.

The ECB Assessment will conclude with an aggregate disclosure of the outcomes, at country and bank level, together with any recommendations for supervisory measures. This comprehensive outcome will be published prior to the ECB assuming its supervisory role in November 2014, and will include the findings of the three pillars of the ECB Assessment.

On 31 January 2014, the EBA announced that the EU-wide stress test will be conducted on a sample of 124 EU banks which cover at least 50 per cent. of each national banking sector and will be conducted at the highest level of consolidation. Given its objectives, the 2014 EU-wide stress test will be conducted under the assumption of a static balance sheet which implies no new growth and a constant business mix and model throughout the time horizon of the exercise. The resilience of EU banks will be assessed under a period of three years (2014–2016). Banks will be required to stress a common set of risks including: credit risk, market risk, sovereign risk, securitisation and cost of funding. Both trading and banking book assets will be subject to stress, including off-balance sheet exposures. NCAs may include additional risks and country-specific sensitivities beyond this common set but the published results are expected to allow for an understanding of the impact of the common set of risks in isolation.

In terms of capital thresholds, 8 per cent. Common Equity Tier 1 will be the capital hurdle rate set for the baseline scenario and 5.5 per cent. Common Equity Tier 1 will be the capital hurdle rate set for the adverse scenario. The relevant NCA may set higher hurdle rates and formally commit to take specific actions on the basis of those higher requirements.

The exercise will involve close cooperation between the EBA and NCAs, along with the ECB. In particular, the EBA will be responsible for coordinating the exercise in cooperation with the ECB (in case of SSM countries) and ensuring effective cooperation between home and host supervisors. Furthermore, the EBA will provide pan-European benchmarks and will act as a data hub for the final dissemination of the results of the common exercise. On the other hand, NCAs will bear responsibility for overseeing the exercise with the banks and checking the quality of the results.

The methodology and scenarios used in the stress tests are expected to be published by the end of April 2014 and banks' individual results are expected to be released at the end of October 2014.

The Bank may face multiple challenges and may need to overcome various hurdles in order to support the new EBA EU-wide stress testing models, once implemented. This may substantially alter the way the Bank operates and may have adverse consequences for the financial condition, funding activities, operational results and assets of the Bank. Furthermore, a loss of confidence in the euro-area banking sector following the announcement of the outcome of the ECB Assessment could have

a negative effect on the Bank's cost of funding and may thus have a material adverse effect on its financial results.

Moreover, the Bank may be required to further strengthen its capital adequacy as a result of the EBA EU-wide stress test. If the Bank is not able to strengthen its capital adequacy by raising funds from its shareholders or the capital markets, or by implementing other capital enhancement measures, it may need to seek additional funding by means of state support, thereby increasing the likelihood that its shareholders will be subject to limitations on their rights, suffer significant dilution in their shareholding and/or incur significant losses in their investments.

Eurobank's wholesale borrowing costs and access to liquidity and capital depend on the credit ratings of both the Bank and Greece.

A downgrade in the credit ratings of the Bank or of Greece may have an adverse effect on the Bank's access to and cost of funding.

Negative publicity following a downgrade in the Bank's credit rating may have an adverse effect on depositors' sentiment, which may increase the Bank's dependence on Eurosystem funding. Eurobank is currently restricted in its ability to obtain funding in the capital markets and is heavily dependent on the Eurosystem for funding, and any further reductions in the long-term credit ratings of the Bank could delay the Bank's return to the capital and interbank markets for funding, increase the Bank's borrowing costs and/or restrict the potential sources of funding available to the Bank. It could also, coupled with a deterioration of market conditions, have an adverse effect on the Bank's ability to use its collateral to secure funding.

Since 2009, Greece has experienced a series of credit rating downgrades and at the end of 2010 moved to below investment grade. Greece's credit rating was lowered by all three credit rating agencies to levels just above default status following the activation of collective action clauses in Greek Government bonds subject to Greek law in late February 2012. Specifically, Greece's credit rating was lowered to SD (Selective Default) by Standard & Poor's (27 February 2012), to RD (Restricted Default) by Fitch (9 March 2012), and to C by Moody's (2 March 2012). Following the conclusion of the exchange of Greek Government bonds under Greek law, Fitch raised its rating to B (13 March 2012) and Standard & Poor's raised its rating to CCC (2 May 2012). Subsequently, on 17 May 2012, Fitch lowered Greece's credit rating to CCC due to the upcoming general elections.

In December 2012, Standard & Poor's downgraded Greece to SD (Selective Default), following the invitation to eligible holders of new Greek Government bonds issued under the PSI to participate in the Buy-Back Programme.

As at the date of this Prospectus, Greece's credit ratings as assigned by the international credit rating agencies are:

- Standard & Poor's: "B-/B"
- Fitch: "B-"
- Moody's: "Caa3"

A further downgrade of Greece's rating may occur in the event of a failure to implement the Second Economic Adjustment Programme or if the Second Economic Adjustment Programme fails to produce the intended results. Accordingly, the cost of risk for Greece would increase further, with negative effects on the cost of risk for Greek banks and thereby on their results. Further downgrades of Greece's credit rating could result in a corresponding downgrade in the Bank's credit rating.

Deteriorating asset valuations resulting from poor market conditions may adversely affect the Bank's business, financial condition, results of operations and prospects.

The global economic slowdown and the economic crisis in Greece from 2009 to 2013 have resulted in an increase in past due loans and significant changes in the fair values of the Bank's financial assets. A substantial portion of the Group's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, term deposits and receivables. In particular, as mortgage loans are one of the Bank's principal assets (approximately €19 billion as at 31 December 2013) Eurobank is currently highly exposed to developments in real estate markets, especially in Greece. From 2002 to 2007, demand for housing and mortgage financing in Greece increased significantly, driven by, among other things, economic growth, declining unemployment rates, demographic and social trends and historically low interest rates in the Eurozone. Construction activity has contracted sharply since 2009. Housing prices began decreasing in 2009 and these decreases have continued and are expected to continue in 2014 due to further contraction of disposable income and high supply of houses available for sale. The sharp increase in unemployment during the economic crisis, which in the period of January to October 2013 averaged 27.8 per cent., compared to 7.6 per cent. in the corresponding period in 2008, according to the Hellenic Statistical Authority, aggravated the situation, with mortgage delinquencies increasing further.

Decreases in the value of collateral to levels lower than the outstanding principal balance of the corresponding loans, in particular with respect to loans granted in the years prior to the Greek economic crisis, an inability to provide additional collateral, a continued downturn of the Greek economy or a further deterioration of the financial conditions in any of the sectors in which the Bank's debtors conduct business may cause the Group to suffer further impairment losses and provisions to cover credit risk, which could exceed those projected by the Bank as included in the assessment of the Group by the Bank of Greece under its adverse scenario.

A decline in the value of the collateral securing the Group's loans may also result from a further deterioration of financial conditions in Greece or the other markets where the collateral is located. In addition, the Bank's failure to recover the expected value of collateral in the case of foreclosure, or the Bank's inability to initiate foreclosure proceedings due to domestic legislation, may expose the Bank to losses which could have a material adverse effect on the Bank's business, results of operations and financial condition. Specifically, foreclosures initiated by credit institutions for satisfaction of claims against the primary residence of debtors who meet certain eligibility criteria have been forbidden since 1 July 2010, and such prohibition was recently expanded until 31 December 2014, pursuant to Law 4224/2013 which was enacted on 21 December 2013. There can be no assurance that this prohibition will not be extended beyond this date, or that the private debt resolution mechanism to be proposed by a special governmental council established by virtue of Law 4224/2013 will not restrict the Bank's ability to take enforcement measures against the Bank's debtors. See "Regulation and Supervision of Banks in Greece—Restriction Regarding the Liquidation of Collateral".

In addition, an increase in financial, property and other markets volatility or adverse changes in the marketability of the Bank's assets could impair the Bank's ability to value certain of the Bank's assets and exposures. The value ultimately realised by the Bank will depend on their fair value determined at that time and may be materially different from their current carrying or book value. Any decrease in the value of such assets and exposures could require the Bank to recognise additional impairment charges, which could adversely affect the Bank's business, financial condition, results of operations and prospects, as well as the Bank's capital adequacy.

Eurobank is exposed to the risk of political instability in Greece.

The political and economic environment in Greece remains fluid and subject to significant uncertainty. Any aggravation of the economic environment or of social tensions could precipitate a change of government or a revision of policies. This could result in a change in economic policy and a more challenging relationship with governmental authorities and could affect the Bank's business and strategic orientation, which may adversely affect the Bank's business, financial condition, results of operations and prospects.

The Bank may not be able to pay dividends to its holders of ordinary shares and preference shares.

As a result of the Bank's participation in the Hellenic Republic Bank Support Plan (see "The Banking Sector and The Economic Crisis in Greece—The Hellenic Republic Bank Support Plan"), the Bank paid dividends to holders of its ordinary shares in relation to the financial year ended 31 December 2008 in the form of ordinary shares. In relation to the financial years ended 31 December 2009 and 2010, the Bank did not pay any dividends to holders of its ordinary shares, but it did pay the fixed return to the Greek state as holder of its preference shares. In relation to the financial years ended 31 December 2011, 2012 and 2013, the Bank neither paid dividends to holders of its ordinary shares nor the fixed return to the Greek state, as a result of the losses generated in these financial years. In addition, under the terms of the Bank's preference shares and Law 3723/2008, payment of the fixed return to the Greek state should be made before any payment of dividends to the Bank's ordinary shareholders and is subject to an annual step up of 2 per cent. in case the Bank's preference shares have not been redeemed five years after their issuance.

As a result of the Bank's participation in the Hellenic Republic Bank Support Plan, the Greek state has appointed a representative to the Board of Directors of the Bank with the right to veto any decision for the distribution of dividends either at the instruction of the Minister of Finance or at his own initiative if he considers that such decision may jeopardise the interests of the Bank's depositors or materially affect the solvency and the orderly operation of the Bank. Additionally, as a consequence of the Bank's recapitalisation exclusively by the HFSF in May 2013, pursuant to Law 3864/2010, the HFSF representative on the Board of Directors of the Bank has the right to veto decisions about the distribution of dividends.

Moreover, under the commitments that the Greek Government has undertaken under the Second Economic Adjustment Programme which are binding on the Bank (see "Regulation and Supervision of Banks in Greece—Monitoring Trustee and the Commitments of the Greek Government on the Basis of the First Review of the Second Adjustment Programme for Greece (December 2012)") and the terms of Eurobank's revised restructuring plan approved by the European Commission on 29 April 2014 (see "—Risks Relating to Our Business—The Group could be subject to a variety of risks as a result of implementing its state aid restructuring plan"), unless the European Commission otherwise agrees to an exception, neither the Bank nor any member of the Group will pay any dividend prior to the end of its restructuring period, which is defined in the Bank's revised restructuring plan as 31 December 2018, other than where there is a legal obligation to do so, while the Bank will not release reserves to put itself in such a position.

Consequently, for so long as the Bank continues to participate in the Hellenic Republic Bank Support Plan and/or is subject to Law 3864/2010 and/or is bound by the above commitments, as well as the terms of the Bank's revised restructuring plan, it may be prohibited from paying dividends to the holders of ordinary shares.

The EU regulatory and supervisory framework may constrain the economic environment and adversely impact the operating environment of the Bank.

In May 2013, two regulations on economic governance were enacted by the European Parliament: (i) Regulation (EU) 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area; and (ii) Regulation (EU) 472/2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability. These two regulations which became effective in May 2013 introduce provisions for enhanced monitoring of countries' budgetary policies. In addition, greater emphasis is being placed on the debt criterion of the Stability and Growth Pact, under which Member States whose debt exceeds 60 per cent. of GDP (the EU's debt reference value), such as Greece, would be required to take steps to reduce their debt at a pre-defined pace, even if their deficit is below 3 per cent. of GDP (the EU's deficit reference value). As a preventive measure, an expenditure benchmark

has been proposed, which implies that annual expenditure growth should not exceed a reference medium-term rate of GDP growth. A new set of financial sanctions have been proposed for Member States in the euro area that do not comply with the excessive deficit procedure as described in Regulation 473/2013 of the European Union; such sanctions would be triggered at a lower deficit level and would use a graduated approach. Given the dimensions of Greece's public debt imbalance, these measures are likely to have the effect of limiting the government's capacity to stimulate economic growth through spending or through a reduction of the tax burden for a long period. Any limitation on growth of the Greek economy is likely to adversely affect the Group's business, financial condition, results of operations and prospects.

Risks Relating to Volatility in the Global Financial Markets

The Group is vulnerable to the on-going political disruptions and volatility in the global financial markets.

Most of the economies with which Greece has strong export links, including a number of Eurozone countries, continue to face significant economic headwinds. The outlook for the global economy over the medium term remains challenging, with predictions for stagnant or modest levels of gross domestic product growth in the European Monetary Union. Economic activity remains dependent on highly accommodative macroeconomic policies and is subject to downside risks, as room for countercyclical policy measures has sharply diminished. Policymakers in many advanced economies have publicly acknowledged the need to urgently adopt credible strategies to contain public debt and excessive fiscal deficits and later reduce debt and deficits to more sustainable levels. The implementation of these policies may restrict economic recovery, with a corresponding negative impact on the Bank's business, financial condition, results of operations and prospects.

In financial markets, concerns surfaced in a progressive widening of intra-Eurozone government bond and sovereign credit default swap ("CDS") spreads for several Eurozone government issuers with large fiscal imbalances. Against a background of increasing unease over the sizeable fiscal imbalances, investors have reduced their investments in these countries. Continued reduction in investment flows may retard economic recovery, with a corresponding negative impact on the Bank's business, financial condition, results of operations and prospects, including the Bank's ability to fund its operations.

The Bank's results of operations, both in Greece and abroad, in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including: political and regulatory risks and the condition of public finances; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices and interest rates; currency values; the availability and cost of funding; inflation; the stability and solvency of financial institutions and other companies; investor sentiment and confidence in the financial markets; or a combination of any of the above factors.

Uncertainty resulting from the sovereign debt crisis in the Eurozone is likely to continue to have a significant adverse impact on the Bank's business, results of operations and financial condition.

The deterioration of the sovereign debt of several countries, including Greece, Italy, Ireland, Spain, Cyprus and Portugal, together with the risk of contagion in other Eurozone countries, has exacerbated the European economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Monetary Union, which escalated to the risk of a potential Eurozone break-up in 2012.

In particular, the Eurozone has seen an increase in credit spreads, together with reduced liquidity and access to financing. These negative trends have worsened and caused considerable turbulence in the global financial and credit markets due to fear of a downgrading of the sovereign debt of other Eurozone countries and fiscal instability in countries such as France, Japan, the United Kingdom and

the United States, which saw its credit rating downgraded by Standard & Poor's in August 2011. There was a subsequent downgrade of Spain by Fitch in June 2012, France by Standard & Poor's and Moody's in November 2012 and the United Kingdom by Moody's in February 2013 and by Fitch in April 2013.

The Eurozone sovereign debt crisis has led to discussions and scenarios involving the reintroduction of national currencies in one or more Eurozone countries (including Greece) or, in particularly extreme circumstances, the abandonment of the euro. The departure or risk of departure from the euro by one or more Eurozone countries and/or the abandonment of the euro as a currency would be a material event that could have significant adverse effects on the ability of the Group to fulfil its obligations and have a significant negative impact on the activity, operating results and financial position of the Group.

Throughout the European sovereign debt crisis, the European countries' leaders have tried to take measures to preserve the financial stability of the EU and the Eurozone. In May 2010, along with Greece's first bailout request, the EFSF was established, a €440 billion special purpose vehicle guaranteed by the euro area members, whose mandate is to safeguard financial stability in Europe by providing financial assistance to Eurozone states in need. In Autumn 2011, European government leaders discussed further austerity measures, including a significant increase in the EFSF's funds and a restructuring plan for Greece's sovereign debt. In September 2012, the ECB announced that it was ready to provide full support through new bond purchase programmes known as Outright Monetary Transactions to all Eurozone countries that had requested a bailout and received support by the EFSF and European Stability Mechanism (the "ESM") programmes. The ESM was formally established in October 2012 and is a permanent international financial institution that aims to assist in preserving the financial stability of the European Monetary Union by providing temporary stability support to Eurozone countries through a lending capacity of €500 billion. There can be no assurance, however, that such measures will ultimately be successful or have the intended results.

Any further deterioration in Eurozone's economic situation could have a significant impact on the activities, business and operations of the Group, given its material exposure to the Eurozone's economy.

Eurobank is exposed to risks faced by other financial institutions that are the Bank's counterparties.

The Bank routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Sovereign credit pressures may weigh on Greek financial institutions, limiting their funding operations and weakening their capital adequacy by reducing the market value of their sovereign and other fixed income holdings. These liquidity concerns have adversely impacted, and may continue to adversely impact, inter-institutional financial transactions in general. Concerns about, or a default by, one financial institution could lead to significant liquidity problems and losses or defaults by other financial institutions, as the commercial and financial soundness of many financial institutions may be closely related as a result of credit, trading, clearing and other relationships. Many of the routine transactions the Bank enters into expose it to significant credit risk in the event of default by one of the Bank's significant counterparties. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-side liquidity pressures or losses or an inability of the Bank or other Group members to pay the debt. In addition, the Bank's credit risk may be exacerbated when the collateral the Bank holds cannot be enforced or is liquidated at prices not sufficient for the Bank to recover the full amount of the loan or derivative exposure. A default by a significant financial and credit counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the Bank's business, financial condition, results of operations, prospects and capital position.

Risks Relating to the Bank's Business

The Greek state has the ability to exercise, and currently exercises, significant influence on the Bank.

The Greek state directly owns all of the Bank's 345.5 million non-voting, non-transferable, redeemable preference shares issued pursuant to Law 3723/2008 under the Hellenic Republic Bank Support Plan (see "Regulation and Supervision of Banks in Greece—The Hellenic Republic Bank Support Plan"). This direct stake of the Greek state in the Bank provides the Greek state, among other things, with voting rights at the general meeting of preferred shareholders, the right to appoint a representative on the Board of Directors, who has the ability to veto decisions relating to strategic issues or decisions that could have a material impact on the legal or financial status of the Bank and for which the approval of the general meeting of the Bank's ordinary shareholders ("General Meeting") is required, or decisions referring to the distribution of dividends and the remuneration of the Bank's Chairman, Chief Executive Officer and the remaining members of the Bank's Board of Directors and the Bank's general managers and their deputies pursuant to a relevant decision of the Ministry of Finance, or decisions that the representative believes may jeopardise the interests of the depositors or may materially affect the Bank's solvency and orderly operation. In addition, the representative of the Greek state has full access to the Bank's books and records, restructuring and viability reports, plans for medium-term financing needs, as well as data relating to the level of funding of the economy.

The Greek state also has interests in other Greek financial institutions and an interest in the financial soundness of the Greek banking industry and other industries generally, and those interests may not always be aligned with the commercial interests of the Group or its shareholders.

The European Commission has the ability to exercise, and currently exercises, significant influence on the Bank.

Greece, as part of the Second Economic Adjustment Programme, made a series of commitments to the European Commission regarding the restructuring of Greek banks, including the appointment of a monitoring trustee, who acts on behalf of the European Commission and aims to ensure the compliance of the Bank and its subsidiaries with the aforementioned commitments (the "Monitoring Trustee"), which are in force during the period of the restructuring plan to be agreed and approved by the EU unless otherwise provided for in the decision of the EU Directorate-General for Competition of the European Commission approving the Bank's restructuring plan. On 22 February 2013 Grant Thornton S.A. was appointed as Monitoring Trustee of the Bank after prior approval by the European Commission. The Monitoring Trustee is responsible for monitoring the compliance of the Bank with Law 2190/1920 on *sociétés anonymes*, the corporate governance provisions and in general the banking regulatory framework, and will monitor the implementation of the restructuring plan and the organisational structure of the Bank in order to ensure that the internal audit and risk management departments of the Bank are fully independent from commercial networks. The Monitoring Trustee may attend the meetings of the audit committee and risk management committee of the Bank as an observer, reviews the annual audit plan and may require additional investigations, receives all reports emanating from internal control bodies of the Bank and is entitled to interview any auditor. Furthermore, the Monitoring Trustee monitors the commercial practices of the Bank, with a focus on credit policy and deposit policy. Accordingly, the Monitoring Trustee attends the meetings of the credit committees of the Bank as an observer, and monitors the development of the loan portfolio, the maximum amount that can be granted to borrowers, the transactions with related parties and other relevant matters. The Monitoring Trustee also has access to all the relevant credit files and the right to interview credit analysts and risk officers. Furthermore, the Monitoring Trustee monitors the management of claims and litigations of the Bank. As a result, the Bank's management's discretion is subject to further oversight and certain decisions may be constrained by powers accorded to the Monitoring Trustee.

The HFSF as shareholder has certain rights and currently exercises significant influence over the Bank on all important decisions.

As a result of the Bank's recapitalisation exclusively by the HFSF in May 2013 pursuant to Law 3864/2010 (see "Regulation and Supervision of Banks in Greece—The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme—The Hellenic Financial Stability Fund (HFSF)"), the HFSF, pursuant to Law 3864/2010, had acquired unrestricted shareholder voting rights in respect of its shareholdings in the Bank. In addition, pursuant to the relationship framework agreement dated 12 July 2013 between the Bank and the HFSF (the "Relationship Framework Agreement"), the HFSF is entitled to control the election of all the Bank's directors and is entitled to designate the Chairman of the Bank's Board of Directors, the Bank's Chief Executive Officer and, in agreement with the Chief Executive Officer, any deputy Chief Executive Officer and any other executive director. In addition, under Law 3864/2010, as amended by Law 4254/2014 and as in force today, and in accordance with the terms of the Relationship Framework Agreement, the HFSF's appointed representative on the Bank's Board of Directors, as a non-executive member, is entitled, among other things: (i) to request the convocation of the General Meeting; (ii) to veto any decision of the Bank's Board of Directors (A) regarding the distribution of dividends and the remuneration policy concerning the Bank's Chairman, Chief Executive Officer and the remaining members of the Bank's Board of Directors and the Bank's general managers and their deputies; (B) where the decision in question could jeopardise the interests of depositors or materially and adversely affect the Bank's liquidity or solvency or the overall prudent and orderly operation of the Bank; or (C) relating to resolutions regarding an amendment of the Bank's Articles of Association, including resolutions relating to the increase or decrease of the Bank's share capital or the granting of a relevant authorisation to the Bank's Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extensions of the term or dissolution of the Bank, resolutions relating to transfers of assets, including the sale of subsidiaries or resolutions with respect to any other matter requiring approval by an increased majority in accordance with Law 2190/1920, to the extent such decision is likely to significantly affect HFSF's participation in the Bank's share capital; (iii) to request an adjournment of any meeting of the Board of Directors for three business days in order to get instructions from the HFSF's Executive Committee, following consultation with the Bank of Greece; (iv) to request the convocation of the Board of Directors; (v) to approve the appointment and dismissal of the Chief Financial Officer, the Chief Risk Officer, the Chief Operating Officer and the Chief Internal Auditor of the Bank, and (vi) to approve the terms and criteria used for the appointment of the Chairman of the Audit Committee and the Chairman of the Risk Committee of the Bank. In addition, the HFSF has the right to appoint a representative on the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee, request the convocation of the committees of the Board of Directors in which such representative participates, add items to the agendas of general meetings of the Bank's shareholders and meetings of the Board of Directors and of the Committees of the Board of Directors in which such representative participates, as well as to monitor the Bank's business performance and risk profile to ensure that the objectives of the Bank's restructuring plan and the control environment standards are met. See "The Banking Sector and the Economic Crisis in Greece—The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme—The Hellenic Financial Stability Fund (HFSF)".

The Bank also has the obligation to seek and obtain the prior written consent of the HFSF in relation to certain material matters, including any material corporate transactions, such as acquisitions or disposals, mergers, restructurings, capital increases and capital reductions.

Consequently, although under the terms of the Relationship Framework Agreement the HFSF has undertaken certain commitments in relation to the Bank's business autonomy and independence in the Bank's decision making, there is a risk that the HFSF may exercise the rights it has to exert influence over the Bank and may disagree with certain decisions of the Bank and the Group relating to dividend distributions, benefits policies and other commercial and management decisions which will ultimately limit the operational flexibility of the Group.

Following the successful participation of private investors in the Share Capital Increase of the Bank in May 2014, which exceeded the minimum requirement of 50 per cent., and the decrease in the percentage of the ordinary shares with voting rights held by HFSF from 95.23 per cent. to 35.41 per cent., under article 7A, paragraph 2(b) of Law 3864/2010, as amended pursuant to Law 4254/2014 (see “The Banking Sector and the Economic Crisis in Greece—The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme—Recapitalisation Framework Reform”), the HFSF’s voting rights in the Bank will be exercised at the General Meeting of the Bank’s ordinary shareholders only with respect to resolutions relating to the amendment of the Bank’s Articles of Association, including resolutions relating to the increase or decrease of the Bank’s share capital, or the granting of a relevant authorisation to the Bank’s Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extension of the term or dissolution of the Bank, resolutions relating to transfers of assets, including the sale of subsidiaries, or resolutions with respect to any other matter requiring approval by an increased majority in accordance with Law 2190/1920. Furthermore, under article 10, paragraph 2(b)(iii) of Law 3864/2010, as amended pursuant to Law 4254/2014, the HFSF representative on the Bank’s Board of Directors will be entitled to veto any decision of the Bank’s Board of Directors relating to any of the above matters, to the extent that such decision is likely to significantly affect the participation of the HFSF in the Bank’s share capital.

Currently, HFSF and the Bank are in the process of amending the Relationship Framework Agreement. Notwithstanding any such amendment to the Bank’s Relationship Framework Agreement, the HFSF is expected to continue to exert significant influence over the Group and the Bank would still be required to seek the consent of the HFSF with respect to significant business and management decisions, which will ultimately limit the operational flexibility of the Group.

The Group could be subject to a variety of risks as a result of implementing its state aid restructuring plan.

Following the execution of the Presubscription Agreement on 28 May 2012 between the HFSF the Bank and the EFSF as subsequently amended on 21 December 2012 and 30 April 2013 (the “Presubscription Agreement”) the HFSF contributed EFSF notes to the Bank of nominal value €3,970 million, €1,341 million and €528 million respectively (total of €5,839 million) as an advance payment against the total amount of recapitalisation required by the Bank, the Bank submitted to the EU Directorate-General for Competition on 31 October 2012 (through the Ministry of Finance) a restructuring plan in accordance with Law 3864/2010. As the restructuring plan the Bank submitted no longer adequately reflects the Bank’s business prospects because of the Bank’s recapitalisation by the HFSF and its acquisitions of New TT HPB and New Proton Bank, the EU Directorate-General for Competition requested the submission of a revised restructuring plan.

On 16 April 2014, Eurobank, through the Ministry of Finance, submitted to the European Commission the Bank’s revised restructuring plan, which was approved by the Bank’s Board of Directors on 11 April 2014 and by the General Council of the HFSF on 14 April 2014. The revised restructuring plan, which was approved by the European Commission on 29 April 2014, was based on macroeconomic assumptions in line with those provided by the HFSF and comprises the following principal commitments, to be implemented by 31 December 2018:

- the reduction of the Bank’s total costs in Greece (Greek banking and non banking activities) to below €800 million for the year ending 31 December 2017;
- by 31 December 2018, reduce the Bank’s cost of deposits over the reference rate by 180 basis points, when compared to the cost of deposits over the reference rate for the fourth quarter of 2013;
- the reduction of the net loan to deposit ratio for the Bank’s Greek banking activities to no higher than 115 per cent. by 31 December 2017;

- the reduction of the Bank's portfolio of foreign assets (defined as assets related to the activities of customers outside Greece, independently of the country where the assets are booked) to a maximum of €8.77 billion (subject to a further reduction to a maximum of €3.5 billion if the Bank receives additional state aid in excess of €1.0 billion) by 30 June 2018;
- the sale of a minimum 80 per cent. shareholding in the Group's insurance activities (life and non life);
- the reduction of the Bank's shareholding in Eurobank Properties to 20 per cent. by 31 December 2016, with the remainder of the Bank's shareholding to be sold by 31 December 2018;
- selling down the Bank's portfolio of equity securities and subordinated bonds and hybrid bonds (subject to certain exceptions) to less than €35 million by 31 December 2015;
- commitments not to provide to the Bank's foreign subsidiaries with additional equity or subordinated capital in excess of a specified threshold (calculated as a percentage of the weighted assets of each subsidiary up to a maximum percentage per subsidiary, unless the regulatory framework of each relevant jurisdiction requires otherwise), not to purchase any non investment grade securities and to institute a cap on the remuneration of the Bank's employees and managers, in each case subject to certain exceptions;
- commitments relating to the credit policy to be adopted by the Group, including specific requirements applying to connected borrowers (defined as including, among others, the Group's employees, management and shareholders, public institutions and government controlled organisations and political parties); and
- certain other commitments, including (i) restrictions on the Bank's ability to make certain acquisitions and (ii) commitments not to make discretionary payments of coupons in accordance with the terms of the notes included in the Bank's regulatory capital, exercise voluntary call options on own funds instruments and subordinated debt instruments or buy back hybrid capital instruments.

The implementation of these commitments may have a material adverse effect on the Bank's business, operating results and financial condition. If the Group fails to complete any of the required disposals within the agreed timeframes, subject to the terms of the state aid decision approving the Bank's revised restructuring plan, a divestiture trustee may be empowered to conduct the disposals, with the mandate to complete the disposal at no minimum price.

Any inability on the Bank's part to comply with the terms of the Bank's revised restructuring plan may result in the European Commission initiating a procedure to investigate the misuse of aid, which may result in the partial or entire recovery of state aid and/or the imposition of additional conditions, including limiting the Bank's ability to support the Bank's foreign subsidiaries, introducing additional limitations on the Bank's ability to hold and manage its securities portfolio, introducing additional limitations on the Bank's investment policy and other conditions, in line with previous requests to banks in the European Union that have received state aid.

Furthermore, if the European Commission decides that there has been a misuse of aid, the Hellenic Republic may be required to recover all or a portion of the state aid which has been misused by returning all or a portion of the capital support that the Bank has received from the HFSF. In addition, material obligations of the Group that are set forth in the Bank's revised restructuring plan or further its implementation would have been breached, and pursuant to article 7, par. 4 of Law 3864/2010, as amended pursuant to Law 4254/2014, the HFSF would be entitled to exercise its voting rights deriving from the ordinary shares it owns in the Bank (as set out in "The HFSF as shareholder has

certain rights and currently exercises significant influence over the Bank on all important decisions” above) without restrictions.

Market fluctuations and volatility may result in significant losses in the commercial and investment activities of the Group.

The Bank maintains positions in its trading and investment portfolio that relate to the debt, currency, equity and other markets. These positions could be adversely affected by continuing volatility in financial and other markets and the Greek sovereign debt crisis, creating a risk of substantial losses. Declines in perceived or actual values of the Group’s assets have resulted from previous market events.

Continuing volatility and further dislocation affecting certain financial markets and asset classes could further impact the Group’s results of operations, financial condition and prospects. In the future these factors could have an impact on the mark to market valuations of assets in the Group’s available for sale and trading portfolios and financial assets and liabilities for which the fair value option has been elected. In addition, any further deterioration in the performance of the assets in the Group’s investment securities portfolios could lead to additional impairment losses. Investment securities accounted for 24.1 per cent. and 14 per cent. of the Group’s total assets as at 31 December 2013 and 31 December 2012, respectively.

Volatility can also lead to losses relating to a broad range of other trading securities and derivatives that the Bank holds, including swaps, futures, options and structured products. For further information on market risk exposures in those portfolios, please see “Risk Management”.

The increase of past due loans may have a negative impact on the Group’s operations in the future.

Loans more than 90 days past due represented 29.4 per cent. of the Bank’s loans as at 31 December 2013, compared to 22.8 per cent. as at 31 December 2012 and 15.7 per cent. as at 31 December 2011. The effect of the economic crisis in Greece and adverse macroeconomic conditions in the countries in which the Bank operates may result in further adverse effects on the credit quality of the Bank’s borrowers, with increasing delinquencies and defaults. As at 31 December 2013, the Bank had cumulative provisions for impairment losses on loans and advances to customers of €7,888 million, an increase of €3,218 million compared to 31 December 2012. Any further deterioration in the credit quality of the Bank’s loan portfolio, and any resulting increase in delinquencies and defaults, could lead the Bank to further increase its provision for impairment losses, which could have a material adverse effect on the Bank’s capital position, financial condition and results of operations. Moreover, as a result of the financial crisis, and for the protection of the weaker debtors, foreclosure actions have been suspended until 31 December 2014, in cases involving the primary residence of an individual (see “Regulation and Supervision of Banks in Greece”).

Volatility in interest rates may negatively affect the Bank’s net interest income and have other adverse consequences.

Interest rates are highly sensitive to many factors beyond the Bank’s control, including monetary policies and domestic and international economic and political conditions. Events in the future could alter the interest rate environment in Greece and the other markets in which the Group operates. Cost of funding is especially at risk for the Bank due to increased Eurosystem funding and the tight liquidity conditions in the Greek domestic deposit market.

As with any bank, changes in market interest rates may affect the interest rates the Bank charges on its interest earning assets differently than the interest rates the Bank pays on its interest bearing

liabilities. This difference could reduce the Bank's net interest income. Since the majority of the Bank's loan portfolio effectively re-prices within a year, rising interest rates may also result in an increase in the Bank's allowance for impairment on loans and advances to customers if customers cannot refinance in a higher interest rate environment. Further, an increase in interest rates may reduce the Bank's clients' capacity to repay in the current economic circumstances.

Further deterioration in macroeconomic conditions could negatively affect the Bank's fee-generating businesses.

Potential adverse macroeconomic developments in Greece, such as a further decline in GDP or a further increase in unemployment, would place additional pressure on the Bank's fee-generating businesses, including the Bank's insurance, mutual funds, capital markets, network fees and lending businesses, and their contributions to the Bank's overall profitability. During Greece's economic crisis, the Bank's fee and commission income decreased from 0.9 per cent. of total assets in 2007 to 0.4 per cent. in 31 December 2013. The Bank's fee and commission income is highly correlated to the macroeconomic environment and market performance generally, and any deterioration in the macroeconomic environment in Greece or market conditions generally could have a material adverse effect on the Bank's fee-generating businesses.

Changes in consumer protection laws may limit the fees that the Group can charge in certain banking transactions.

Changes in consumer protection laws in Greece and other jurisdictions where the Group has operations could limit the fees that banks may charge for certain products and services such as mortgages, unsecured loans, credit cards and funds transfers and remittances. If introduced, such laws could reduce the Group's net income, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Eurobank faces significant competition for deposits in Greece.

The general scarcity of wholesale funding since the onset of the economic crisis has led to a significant increase in competition for retail and corporate deposits in Greece. Eurobank faces competition from other banks, many of which may have resources and credit ratings greater than the Bank's. Eurobank may not be able to continue to compete successfully with domestic and international banks in the future. These competitive pressures on the Group may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Laws regarding the bankruptcy of individuals and laws governing creditors' rights in Greece and various European countries may limit the Group's ability to receive payments on past due loans.

Laws regarding the bankruptcy of individuals and other laws and regulations governing creditors' rights generally vary significantly within the region in which the Group operates. In some countries, the laws offer significantly less protection for creditors than the bankruptcy regime in the United States. If the current economic crisis persists or worsens, bankruptcies could intensify, or applicable bankruptcy protection laws and regulations may change to limit the impact of the recession on corporate and retail borrowers. Such changes may have an adverse effect on the Group's business, operating results and financial condition.

The Bank's business is subject to increasingly complex regulation, which may increase the Bank's regulatory and capital requirements.

The Group is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it operates. All of these regulatory requirements are subject to change,

particularly in the current market environment, where there have been unprecedented levels of government intervention and changes to the regulations governing financial institutions. In response to the global financial crisis, national governments as well as supranational groups, such as the EU, have been considering significant changes to current bank regulatory frameworks, including those pertaining to capital adequacy, liquidity and the scope of banks' operations. As a result of these and other on-going and possible future changes in the financial services regulatory framework (including requirements imposed by virtue of the Bank's participation in any government or regulator led initiatives, such as the Hellenic Republic Bank Support Plan), the Bank may face stricter regulation. Current and future regulatory requirements may be different across jurisdictions, and even requirements with EEA wide application may be implemented or applied differently in different jurisdictions.

For example, regulation of the banking industry in Greece has changed in recent years largely as a result of Greece's implementation of applicable EU directives and in response to the economic crisis in Greece. During 2011 and the beginning of 2012, the Bank of Greece issued a series of Governor's Acts (GA/Bank of Greece) aiming to further strengthen the regulatory framework of financial institutions and to incorporate specific European guidelines. In June 2013, the European Parliament and the Council adopted Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, and Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, which incorporates respective amendments that have been proposed by the Basel Committee for Banking Supervision (the "Basel Committee") ("Basel III"). This Directive 2013/36/EU is expected to be enacted in Greece once the Greek Parliament votes on a draft bill recently submitted for voting to transpose such directive into Greek law (see also "Regulation and Supervision of Banks in Greece").

The new regime amends current rules on the capital requirements for banks and investment firms, aiming to further transpose into EU law the Basel III requirements, including rules regarding capital requirements, capital conservation and buffers, and liquidity and leverage. The rules have been in force since 1 January 2014, with full implementation on 1 January 2019.

In addition, the Solvency II Directive (2009/138/EC) is a fundamental review of the capital adequacy regime for the European insurance industry. This directive entered into force on 1 January 2014, but because the Omnibus II Directive, which directly effects the implementation date of Solvency II, has not yet been approved, implementation is now expected to be delayed until 2016. Once implemented, the capital structure and overall governance of the Group's life insurance business will change significantly, and this may have an adverse impact on the Bank's business, financial condition, results of operations and prospects. For additional information see "Regulation and Supervision of Banks in Greece".

Furthermore, the revised definitions and policies relating to restructured and non-performing loans and predetermined processes for calculating risk parameters announced by the ECB pursuant to the ECB Assessment and the ECB's assumption of prudential supervisory duties as part of the SSM may differ from those already used by the Bank's management and may affect credit risk monitoring. As a result, the ECB Assessment may reflect a different credit quality than the existing credit quality of the Bank's loan portfolio.

Compliance with these new requirements may increase the Bank's regulatory capital and liquidity requirements and costs and the Bank's disclosure requirements, restrict certain types of transactions, affect the Bank's strategy and limit or require the modification of rates or fees that the Bank charges on certain loan and other products, any of which could lower the return on the Group's investments, assets and equity. Eurobank may also face increased compliance costs and limitations on the Bank's ability to pursue certain business opportunities. The new regulatory framework may have

significant scope and may have unintended consequences for the global financial system, the Greek financial system or the Bank's business, including increasing competition, increasing general uncertainty in the markets or favouring or disfavouring certain lines of business. Eurobank cannot predict the effect of any such changes on its business, financial condition, results of operations and prospects.

The planned creation of a deposit guarantee system applicable throughout the European Union may result in additional costs to the Group.

The harmonisation of the deposit guarantee systems will represent significant changes to the mechanisms of the deposit guarantee systems currently in force in individual countries. Harmonisation of the deposit guarantee systems contemplates increasing ex ante funding to approximately 75 per cent. of total funds and increasing the target levels of the deposit guarantee systems to 2 per cent. of eligible deposits. Currently, the Greek deposit guarantee system guarantees up to 2.7 per cent. of eligible deposits (one of the highest in the EU).

If the contributions by the European Commission for the deposit guarantee scheme are higher than the ones currently in place in Greece and in the other countries in which the Bank operates this may result in the Bank increasing its contributions in this scheme which in turn may adversely affect the Bank's operating results.

Although the harmonisation of the deposit guarantee systems is currently expected to maintain the level of coverage at €100,000, the pressure on the EU authorities to simplify eligibility criteria and put swifter payment procedures in place may lead to additional adjustments in the level and scope of coverage, resulting in higher bank contributions to the deposit guarantee schemes.

The entry into force of the proposed framework on bank recovery and resolution may adversely affect the rights of the creditors and shareholders of the Bank, the Bank's financial condition, results of operations and prospects.

The proposed framework on bank recovery and resolution comprising a proposal for a new directive "establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directives 77/91/EEC and 82/891/EC, Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC and 2011/35/EC and Regulation (EU) No 1093/2010" and a proposal for a new regulation "establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Bank Resolution Fund and amending Regulation (EU) No 1093/2010 of the European Parliament and of the Council" following the agreement reached by the European Council on 18 December 2013 (for a detailed analysis of the proposed framework please see "Regulation and Supervision of Banks in Greece—European Developments"), provides for either the reorganisation or the liquidation of credit institutions facing financial difficulties and the allocation of the losses to their shareholders and creditors and the establishment of a single resolution fund which would be financed by bank levies raised at national level. The entry into force of the proposed framework may materially and adversely affect the rights of creditors and shareholders of the Bank, as well as the Bank's financial condition, results of operations and prospects.

The Bank conducts significant international activities outside of Greece and as a result, the Group is exposed to political turmoil and other risks in these countries.

In addition to the Bank's operations in Greece, the Bank has substantial operations in Bulgaria, Romania, Serbia, Cyprus, Ukraine and Luxembourg. The Group's international operations accounted for 16.0 per cent. of its €53.5 billion gross loans as at 31 December 2013 (compared to 19.6 per cent. as at 31 December 2012) and 34.6 per cent. of its net interest income for the year ended 31 December 2013 (compared to 29.5 per cent. for the year ended 31 December 2012). The

Group's international operations are exposed to the risk of adverse political, governmental or economic developments in the countries in which the Group operates. Furthermore, the majority of the countries outside Greece where the Group conducts business are "emerging economies" in which the Group faces particular financial and operational risks. These factors could have a material adverse effect on the Bank's business, results of operations and financial condition. The Bank's international operations also expose the Bank to foreign currency risk. A decline in the value of the currencies in which the Bank's international subsidiaries receive their income or value their assets relative to the value of the euro may have an adverse effect on the Bank's results of operations and financial condition.

The debt crisis in Cyprus and the sustainability problems which its financial sector faces, the consequences of which cannot be immediately and accurately determined, may adversely affect the Bank's business, financial condition, results of operations and prospects.

On 25 March 2013, the European Commission reached an agreement with the Government of Cyprus, regarding a programme of macroeconomic adjustment, aiming at re-establishing the viability of the financial sector and implementing fiscal reforms for the following years. As part of this programme, Cyprus will receive €10 billion and two of the largest banks in Cyprus, Cyprus Popular Bank and Bank of Cyprus, have been subject to reorganisation measures resulting in the winding up of Cyprus Popular Bank and combining its operations with Bank of Cyprus. In particular, this programme aims to ensure that all deposits below €100,000 are insured and that the domestic banking sector as a percentage of GDP will reach the average of the EU by 2018 and withholding tax on capital returns and the corporate income tax rate will increase. Cyprus and the European Commission in cooperation with the ECB and the IMF, agreed on a memorandum of understanding for this programme in early April 2013, which was enacted by the parliament of Cyprus and intends to fully cover the financing needs of Cyprus for the 2013–2016 period. Nevertheless, additional measures may be necessary in the event of deviations.

As part of the Cyprus programme, Cyprus Popular Bank is under liquidation, as a result of which its depositors with deposits above €100,000 will incur losses and could have deposits over €100,000 wiped out entirely, and with regard to Bank of Cyprus, its depositors with deposits above €100,000 will participate in its recapitalisation by exchanging part of their deposits for Bank of Cyprus shares, which may lead to significant deposit withdrawals when the capital controls cease to be in effect.

As at 31 December 2013, the Bank's Cypriot subsidiary Eurobank Cyprus Ltd. had total assets of €3.7 billion, of which only €1.5 billion related to assets in Cyprus. As at 31 December 2013, Eurobank Cyprus Ltd. had total deposits of €2.5 billion, which represented 6.0 per cent. (or 8.0 per cent. excluding New TT HPB) of total deposits of the Group, compared to 10.2 per cent. as at 31 December 2012. As at and for the year ended 31 December 2013, operating income of the Bank's Cypriot subsidiary amounted to €51.8 million (after the deduction of intragroup transactions), which represented 3.3 per cent. of the Group's consolidated operating income.

The consequences from the implementation of the new regime in the Cypriot economy and the financial system of Cyprus as well as the extent of the recession cannot be currently foreseen and may adversely affect the Bank's business, financial condition, results of operations and prospects.

Political instability in Ukraine may cause uncertainty and may adversely affect the Bank's business, financial condition, results of operations and prospects.

In Ukraine, a recent three-month uprising led to the replacement, in February 2014, of the Ukrainian President, Viktor Yanukovich, by Oleksandr Valentynovych, as acting President. The protests started after President Yanukovich's government rejected an accord with the European Union in November 2013 in favour of stronger ties with Russia and a provision by Russia of a \$15 billion aid package. On 28 January 2014, Prime Minister Azarov and his government resigned. In February 2014, Prime

Minister Yatsenyuk's interim government invited the IMF to Kiev in order to discuss the terms of a programme of financial assistance that will replace the financial support package agreed with Russia.

Ukraine's economy depends heavily on its trade flows with Russia largely because Ukraine covers a large proportion of its energy requirements with imports from Russia. The Russian involvement in the Ukrainian region of Crimea and the referendum organised by the local parliament on 16 March 2014, according to which 97 per cent. of Crimeans voted to join Russia and secede from Ukraine, could result in further economic and political uncertainty. On 17 March 2014, the United States and the European Union imposed financial sanctions against a number of Russian and Ukrainian officials, and such actions, along with any additional sanctions or escalation of the conflict, may impact the banking sector and could impede normal economy activity in Ukraine. Following the results of the referendum, Russia announced on 18 March 2014 its intention to annex Crimea. On 21 March 2014, Russian President Vladimir Putin ratified the inclusion of Crimea into Russia and the Ukrainian government began withdrawing military troops from Crimea. On 24 March 2014, the other seven countries in the Group of Eight (G8) voted to suspend Russia from the group and, on 27 March 2014, the United Nations General Assembly approved a resolution describing the Crimean referendum as illegal. On 17 April 2014, Russia stated that Ukraine would have a month to pay off its gas debts, after which a pre-payment scheme would be instituted that could disrupt the supply of gas to Ukraine, and could also affect supply to the rest of Europe, some of which is delivered through pipelines in Ukraine. Any major changes in Ukraine's relations with Russia, and in particular, any changes adversely affecting supplies of energy resources from Russia to Ukraine or Ukraine's revenues derived from transit charges for Russian oil and gas, may have negative effects on various sectors of the Ukrainian economy and in particular on the banking sector.

As at 31 December 2013, total assets from the Bank's operations in Ukraine amounted to €665 million, while deposits amounted to €285 million. In addition, Eurobank and its subsidiaries held €81 million of Ukrainian government securities in their investment portfolio. The total of the Group's operating income from its activities in Ukraine amounted to €30.4 million for the year ended 31 December 2013, which represented 1.9 per cent. of its total operating income.

Deterioration in macroeconomic factors in Ukraine could significantly affect the performance of the banking sector in the country, which could contribute to the deterioration of the asset quality of the Ukrainian banks and have a material adverse effect on the financial condition, results of operations and prospects of the Group's local subsidiary. Economic turmoil in conjunction with the performance of the *hryvnia*, Ukraine's national currency, which has dropped significantly against the dollar and the euro since the start of the crisis, could result in an increase in non-performing loans in Ukraine. In addition, depositors may move their money to more stable, developed markets, which may place additional strain on the banking system in Ukraine.

If the Group's reputation is damaged, this would affect its image and customer relations, which could adversely affect the Bank's business, financial condition, results of operation and prospects.

Reputational risk is inherent to the Group's business activity. Negative public opinion towards the Group or the financial services sector as a whole could result from real or perceived practices in the banking sector in general, such as money laundering, negligence during the provision of financial products or services, or even from the way that the Group conducts, or is perceived to conduct, its business. Negative publicity and negative public opinion could adversely affect the Group's ability to maintain and attract customers, in particular, institutional and retail depositors, which could adversely affect the Group's business, financial condition, results of operations and prospects and, in an extreme case, could lead to an accelerated outflow of funds from customer deposits which could result in the Bank or another member of the Group being unable to continue operating without additional funding support, which it may not be able to secure.

The loss of senior management may adversely affect the Bank's ability to implement its strategy.

The Bank's current senior management team includes a number of executives whom the Bank believes contribute significant experience and expertise to the Bank's management in the banking sectors in which the Bank operates. The continued performance of the Bank's business and the Bank's ability to execute its business strategy will depend, in large part, on the efforts of the Bank's senior management. If any of the Bank's senior management were to leave, the Bank's business may be materially adversely affected.

Eurobank may be unable to recruit or retain experienced and/or qualified personnel.

The Bank's competitive position depends, in part, on the Bank's ability to continue to attract, retain and motivate qualified and experienced banking and management personnel. Competition for personnel with relevant expertise is high due to the relatively limited availability of qualified individuals. Under the terms of the Hellenic Republic Bank Support Plan, as currently applicable, the Bank is prohibited from paying bonuses to the members of the Board of Directors, the Chief Executive Officer and any general managers or their deputies. Furthermore, as a result of the economic crisis and regulatory restrictions on bonus payments, the Bank is limiting or restricting the bonuses and other performance incentives the Bank pays its personnel, which may inhibit the retention and recruitment of qualified and experienced personnel. The inability to recruit and retain qualified and experienced personnel in Greece and countries where the Bank operates, or manage the Bank's current personnel successfully, could adversely affect the Bank's business, financial condition, results of operations and prospects.

The Greek banking sector is subject to strikes, which may adversely affect the Group's operations.

Most of the Bank's employees belong to a union, and the Greek banking industry has been subject to strikes over the issues of pensions and wages. Greek bank unions in general participate in general strikes, which have increased. Prolonged labour unrest or collective action in which a significant number of the Bank's employees participate could have a material adverse effect on the Bank's operations in Greece, either directly or indirectly, for example on the willingness or ability of the government to pass the reforms necessary to successfully implement the Second Economic Adjustment Programme.

The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgments and estimates that may change over time or may not be accurate.

In establishing the fair value of certain financial instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable financial market data. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to changes in financial market conditions. In such circumstances, the Group's internal valuation models require the Group to make assumptions, judgments and estimates to establish fair value. These internal valuation models are complex, and the assumptions, judgments and estimates the Group is required to make often relate to matters that are inherently uncertain, such as expected cash flows. Such assumptions, judgments and estimates may need to be updated to reflect changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments could have a material adverse effect on the Group's earnings and financial condition. Also, recent market volatility and illiquidity has challenged the factual bases of certain underlying assumptions and has made it difficult to value certain of the Group's financial instruments. Valuations in future periods, reflecting prevailing market conditions,

may result in changes in the fair values of these instruments, which could have a material adverse effect on the Group's financial condition, results of operations and prospects.

Eurobank is exposed to credit risk, market risk, liquidity risk and operational risk.

As a result of the Bank's activities, the Bank is exposed to a variety of risks. Among the most significant of these risks are credit risk, market risk, liquidity risk and operational risk. For more information on these and other risks facing the Bank's business, see "Risk Management". The Bank's failure to effectively manage these risks could have a material adverse effect on the Bank's business, financial condition, results of operation and prospects.

Credit Risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to fulfil its payment obligations. Impairment provisions are recognised as losses incurred at the balance sheet date. Significant changes in the economy or in the state of a particular sector of activity forming an important part of the Group's portfolio may lead to losses differing from those recognised on the balance sheet date. Therefore the Bank's management is cautious in the handling of exposure to credit risk.

Market Risk

The Group is exposed to market risks. Market risks are created by open positions in interest rate products, products based on exchange rates or shares, or a combination thereof, which are affected by general and specific market fluctuations. More specifically, the market risks to which the Group is exposed are as follows:

(a) Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

(b) Currency risk

The Group's financial position and cash flows are exposed to risk from the effects of fluctuations in the prevailing foreign currency exchange rates in relation to the reference currency (EUR).

(c) Equity risk

Equity price risk is the risk of decrease in fair values as a result of changes in equity indices and the value of individual stocks. The exposure to fluctuations in equity prices that the Group undertakes arises mainly from the investment portfolio.

Liquidity Risk

The Group is exposed daily to liquidity risks due to deposit withdrawals, maturity of medium or long term notes, loan draw downs and guarantees. Furthermore, changes in pledged accounts for secured funding transactions (repo type agreements from the ECB and the market) and for risk mitigation contracts involving collateral swaps (CSAs, GMRAs) result in reduced levels of liquidity.

Because of the Greek debt crisis, Greek banks have acquired part of their funding from the European Central Bank and the Bank of Greece. As at 31 December 2013 the financing received by the Bank

from these sources net of collaterals to ECB amounted to €17 billion compared to €29 billion as at 31 December 2012 and €31 billion as at 31 December 2011.

In addition, continuing volatility as a result of market forces that are beyond the Bank's control could cause the Group's liquidity position to deteriorate. Such deterioration would increase funding costs and limit the Bank's capacity to increase its credit portfolio and the total amount of the Bank's assets, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Operational Risk

Operational risk is the risk of loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. The events associated to internal processes include, but are not limited to, fraud and mistakes by employees, clerical and record keeping errors and information system malfunctions or manipulations. External events include floods, fires, earthquakes, civil unrest or terrorist attacks, fraud by outsiders and equipment failures. Finally, the Bank may also fail to comply with regulatory requirements or conduct of business rules.

Eurobank is exposed to the risk of fraud and illegal activities.

Like all financial institutions, the Bank is exposed to risks of fraud and other illegal activities, which, could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects. Although the Bank believes it has effective policies designed to prevent fraud, the Group's risk management procedures may not be able to eliminate all cases of fraud.

The Group is also subject to rules and regulations related to money laundering and terrorism financing. Compliance with anti-money laundering and anti-terrorist financing rules entails significant cost and effort. Non-compliance with these rules may have serious consequences, including adverse legal and reputational consequences. Although the Bank believes that its current anti-money laundering and anti-terrorist financing policies and procedures are adequate to ensure compliance with applicable legislation, the Bank may not be able to comply at all times with all rules applicable to money laundering and terrorism financing as extended to the whole Group and applied to the Banks workers in all circumstances. A violation, or even any suspicion of a violation, of these rules may have serious legal and financial consequences, which could have a material adverse effect on the Bank's business, reputation, financial condition, results of operations and prospects.

Eurobank's economic hedging may not prevent losses.

If any of the variety of instruments and strategies that the Bank uses to economically hedge its exposure to market risk is not effective, the Bank may incur losses. Many of the Bank's strategies are based on historical trading patterns and correlations. Unexpected market developments therefore may adversely affect the effectiveness of the Bank's hedging strategies. Moreover, the Bank does not economically hedge all of its risk exposure in all market environments or against all types of risk. The Group is exposed to several types of risk including, but not limited to, counterparty risk, which is taken into consideration in the valuation of the fair values of the various items, or currency risk from the Bank's participations in certain non Eurozone foreign subsidiaries, where currency derivatives against local currencies may be unavailable. Even when the Bank is able to hedge certain of its risk exposures, the methodology by which certain risks are economically hedged may not qualify for hedge accounting, which may result in additional volatility in the Group's income statement.

Transactions in the Bank's own portfolio involve risks.

The Bank carries out various proprietary activities, such as trading in primary and secondary markets for government/corporate securities or interest rate futures. The management of the Bank's own portfolio includes taking positions in fixed income and equity markets, both through spot and derivative products and other financial instruments. Trading on account of the Bank's own portfolio carries risks, since the Bank's results from proprietary trading depends partly on market conditions. Moreover, the Bank relies on a vast range of reporting and internal management tools in order for its management to be able to report its exposure to such transactions correctly and in due time. The Bank may incur significant losses from proprietary trading, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Group's operational systems and networks have been, and will continue to be, vulnerable to an increasing risk of continually evolving cybersecurity or other technological risks, which could result in the disclosure of confidential client or customer information, damage to the Group's reputation, additional costs to the Group, regulatory penalties and financial losses.

A significant portion of the Group's operations relies heavily on the secure processing, storage and transmission of confidential and other information, as well as the monitoring of a large number of complex transactions on a real time basis. The Group stores an extensive amount of personal and client specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. The proper functioning of the Bank's payment systems, financial and sanctions controls, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between its branches and main data processing centres, are critical to the Bank's operations. These activities have been, and will continue to be, subject to an increasing risk of cyber attacks, the nature of which is continually evolving. The Group's computer systems, software and networks have been and will continue to be vulnerable to unauthorised access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber attacks and other events. These threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to the Group's reputation with its clients and the market, additional costs to the Group (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses, to both the Group and its clients. Such events could also cause interruptions or malfunctions in the operations of the Group (such as the lack of availability of the Group's online banking systems), as well as the operations of its clients, customers or other third parties. Given the volume of transactions the Group processes, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

In addition, third parties with which the Group does business may also be sources of cybersecurity or other technological risks. The Group outsources a limited number of supporting functions, which involve the storage and processing of customer information. Although the Group adopts a range of actions to eliminate the exposure resulting from outsourcing, such as not allowing third party access to the active IT systems and operating a highly controlled IT environment, unauthorised access, loss or destruction of data or other cyber incidents could occur, resulting in costs and consequences to the Group similar to those discussed above. While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks such as fraud and financial crime, such insurance coverage may be insufficient to cover all losses.

Eurobank's loan portfolio in Greece may continue to contract.

In the current recessionary economic environment, the Group's loan portfolio in Greece may continue to contract, and the Group's loan portfolio outside of Greece may not grow at historic rates or may even decline. Furthermore, the number of high credit quality customers of the Group, and for which

the Group competes, is limited. Developments in the Bank's loan portfolio will be affected mainly by, among other factors, the health of the Greek economy and the successful implementation of the Second Economic Adjustment Programme. The continuing decline in the Bank's loan portfolio, in combination with past due loans, may limit the Bank's net interest income, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Additional taxes may be imposed on the Group.

Law 4110/2013 imposed an increase in the tax rate for legal entities from 20 per cent. to 26 per cent. for fiscal years 2013 and onwards. In addition, the Greek income tax regime has been reformed pursuant to Law 4172/2013, which applies to income and profits earned as at 1 January 2014. Additional taxes and penalties may be imposed on Group companies with respect to unaudited tax years, subject to the statute of limitation applicable to each entity based on local tax legislation. For unaudited tax years from tax year 2011 and onwards, Group entities in Greece that have obtained an "unqualified" annual tax certificate from statutory auditors, may be subject to a tax re-audit from tax authorities within specific deadlines.

On 14 February 2013, the European Commission adopted a proposal for a new directive for a common financial transactions tax (the "FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the "Participating Member States"). The FTT, if introduced in its proposed form, would impose a charge on a broad range of financial transactions. Even though it is proposed that the FTT is to be introduced only in the Participating Member States, it could apply in certain circumstances to persons both within and outside of the Participating Member States.

The FTT proposal remains subject to negotiation between the Participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate. Any additional taxes imposed on the Bank in the future, or any increases in tax rates, may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Risks Relating to the Acquisitions

Potential liabilities may result in a write down of assets, charges or other expenses that are higher than expected.

In the process of integrating New TT HPB and New Proton Bank (the "Acquired Businesses"), the Bank may discover issues relating to the Acquired Businesses, including legal, regulatory, control, compliance and operational issues, that may have a material adverse effect on the Bank's business, results of operations, financial condition and reputation. In particular, the decision regarding which assets would be transferred to New TT HPB and New Proton Bank upon the break up of Hellenic Postbank and Proton Bank, respectively, was made by the Bank of Greece without the Bank's participation. In addition, the values of some of the assets of New TT HPB and New Proton Bank have further deteriorated since the Bank acquired those businesses.

Events and circumstances leading to the acquisitions of New TT HPB and New Proton Bank were such that the Bank is not able, despite its best efforts, to apply the Bank's normal due diligence procedures to the operations, risks, uncertainties, liabilities, assets and prospects of the businesses acquired. The Bank was therefore unable to verify the accuracy and completeness of the information provided to the Bank prior to the relevant acquisitions. Despite the passage of time and the partial integration of those businesses into the Bank's Group, Eurobank may still be unaware of material liabilities, risks and uncertainties relating to those businesses. As a result, liabilities associated with

any or all of the Acquired Businesses, including provisions, may be substantial and may exceed the amount of liabilities the Bank initially anticipated.

Eurobank's assessment of the risks presented by the Acquisitions may not be accurate. Should circumstances arise that the Bank did not identify, anticipate or correctly evaluate, any necessary provisions, write downs, charges or other expenses could be significant and could lead to significant losses, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Eurobank may not realise expected cost and revenue synergies from the Acquisitions.

Eurobank expects to realise significant synergies in connection with the Acquisitions, which the Bank estimates, on a pre tax basis, to be approximately €200 million in 2015. For the year ended 31 December 2013, the Bank had achieved €89 million of synergies (see also "The Acquisitions"). The synergies are expected to be driven mainly by revenue increases, operational cost reductions, funding optimisation and remedial enhancement. Integration costs allowing the Bank to achieve these synergies are estimated at a one-off amount of €57 million, of which €32 million have already been incurred while the remaining €25 million are expected to be incurred in 2014.

Any expected synergies are subject to uncertainties and no assurances can be given that they will be realised. Realisation of any benefits and cost synergies, particularly in relation to reductions in funding costs, are likely to be affected by the factors described in other risk factors in this Prospectus and a number of factors beyond the Bank's control, including, without limitation, general economic conditions, increased operating costs, the response of competitors and regulatory developments. Moreover, the Bank's combined loan portfolio after the completion of all the Acquisitions may not be as strong as expected, and therefore the cost savings could be reduced. These cost and revenue synergy estimates also depend on the Bank's ability to combine the businesses of the Bank and Acquired Businesses in a manner that permits those synergies to be realised (see "—A failure to integrate the Acquired Businesses effectively and in a timely manner could adversely affect the Bank's business"). If the estimates turn out to be incorrect or the Bank is not able to successfully integrate the Acquired Businesses into the Group, the expected cost and revenue synergies may not be fully realised or realised at all, or may take longer to realise than expected.

The historical financial information Eurobank includes in this Prospectus are not necessarily representative of the results of operations the Bank would have achieved as a stand alone company and may not be reliable indicators of the Bank's future results.

The Bank's historical financial and other statistical data included elsewhere in this Prospectus do not reflect the financial condition, results of operations or cash flows the Bank would have achieved as a stand alone company, following the integration of the Acquired Businesses, during the periods presented or those the Bank will achieve in the future. This is primarily the result of the following factors:

- the Bank's historical financial and other data for the year ended 31 December 2013 reflects the New TT HPB Acquisition and the New Proton Bank Acquisition only from the time of acquisition by the Bank; and
- the financial and statistical information we present elsewhere in this Prospectus does not include certain important historical financial information relating to the Acquisitions.

Accordingly, the historical financial information included elsewhere in this Prospectus may not reflect what the Bank's results of operations and financial condition would have been had the Bank been a combined entity during the entirety of the periods presented, or what the Bank's results of operations and financial condition will be in the future, which may be materially different from amounts reflected

in the Bank's consolidated historical financial information presented in this Prospectus. As a result of the Acquisitions, the financial information presented in this Prospectus, including the Bank's historical financial statements, is not indicative of the Bank's future results of operations and financial condition, and it will be difficult for investors to compare the Bank's future results to historical results or to evaluate the Bank's relative performance or trends in the Bank's business.

A failure to integrate the Acquired Businesses effectively and in a timely manner could adversely affect the Bank's business.

Mergers and acquisitions involve a number of risks inherent in assessing the value of the acquired assets and the profitability of merger or acquisition candidates, as well as their operational advantages and disadvantages, including:

- adverse short term effects of mergers and acquisitions on operating results;
- the need for management and other personnel resources to pay close attention to the completion of the merger or the acquisition at the expense of their other responsibilities;
- the importance of retaining key personnel;
- failure to retain customers of the Acquired Businesses; and
- risks associated with unanticipated problems, including unanticipated expenses.

In addition to the usual risks relating to mergers and acquisitions, problems may appear during the integration of the operations of the Acquired Businesses, including their IT systems, with the Bank's own, and the Bank may face difficulties managing an integration process of this magnitude in light of the size of the Acquired Businesses and their impact on the size of the Group.

Although the Bank has acquired and successfully integrated several banks in the past, the Bank could encounter significant unexpected difficulties or incur material unexpected expenditures in connection with the integration of the Acquired Businesses. In particular, the Bank will likely face costs, which may be material, associated with operating separate IT systems in parallel until the Bank is able fully to integrate or standardise the various IT systems employed by the Bank and the Acquired Businesses. The failure to integrate the Acquired Businesses successfully and on a timely and efficient basis, as well as to achieve expected income return and to capitalise on funding synergies to achieve economies of scale, could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme

Each of the risks highlighted below could adversely affect the trading price of any Instruments or the rights of investors under any Instruments and, as a result, investors could lose some or all of their investment.

Instruments may not be a suitable investment for all investors

Each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Instruments, the merits and risks of investing in the relevant Instruments and the information contained or incorporated by reference in this Prospectus, the applicable Final Terms or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Instruments and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Instruments, including where principal or interest is payable in one or more currencies or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant Instruments and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in any Exempt Instruments that are Reference Item Linked Instruments may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "Risks related to the structure of a particular issue of Instruments" set out below.

Some Instruments are complex financial instruments and such Instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how such Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Instruments

A wide range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Instruments subject to optional or mandatory redemption by the relevant Issuer

An optional redemption feature is likely to limit the market value of Instruments. During any period when the relevant Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

In respect of Instruments which are conventional debt securities, the relevant Issuer may be expected to redeem such Instruments when its cost of borrowing is lower than the interest rate on the Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In the event that the relevant Issuer determines that the performance of the relevant Issuer's obligations under any Instruments or (if applicable) the Guarantor's obligations in respect thereof under the Deed of Guarantee has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the relevant Issuer may redeem all (but not some only) of such Instruments, each Instrument

being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement, together, if appropriate, with accrued interest.

If Autocall is specified as applying in the applicable Pricing Supplement and an Autocall Event (as set out in the applicable Pricing Supplement) occurs, the relevant Issuer will redeem all (but not some only) of the Exempt Instruments, each Exempt Instrument being redeemed at the Autocall Redemption Amount specified in the applicable Pricing Supplement.

Reference Item Linked Instruments

Each Issuer may issue Exempt Instruments (“Reference Item Linked Instruments”, such term to include, but not be limited to, Dual Currency Instruments, Index Linked Instruments and Equity Linked Instruments) with principal and/or interest determined by reference to an underlying comprising one or more equity securities, indices, debt securities, commodities, interest rates, currency exchange rates or other item(s) (each a “Reference Item”). Potential investors should be aware that:

- (i) the market price of such Exempt Instruments may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Exempt Instruments or even zero;
- (v) a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Reference Item is applied to Exempt Instruments in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Reference Item on principal or interest payable is likely to be magnified; and
- (vii) the timing of changes in a Reference Item may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Reference Item, the greater the effect on yield.

Reference Item Linked Instruments may involve a high degree of risk.

Prospective investors in Reference Item Linked Instruments should understand the risks of transactions involving Reference Item Linked Instruments and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Instruments in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Instruments and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Instruments may relate, as specified in the applicable Pricing Supplement.

As the amount of interest payable periodically and/or the Maturity Redemption Amount payable at maturity may be linked to the performance of the Reference Item(s), an investor in a Reference Item Linked Instrument must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Reference Item(s).

Where the applicable Pricing Supplement specifies one or more Reference Item(s), the relevant Reference Item Linked Instruments will represent an investment linked to the economic performance

of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in Reference Item Linked Instruments will depend upon the performance of such Reference Item(s). Potential investors should also note that whilst the market value of such Reference Item Linked Instruments is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the Reference Item(s) will vary over time. In contrast to a direct investment in the Reference Item(s), Reference Item Linked Instruments represent the right to receive payment of the relevant Maturity Redemption Amount on the relevant Maturity Date as well as periodic payments of interest (if specified in the applicable Pricing Supplement), all or some of which may be determined by reference to the performance of the Reference Item(s). The applicable Pricing Supplement will set out the provisions for the determination of the Maturity Redemption Amount and of any periodic interest payments.

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH THE MATURITY REDEMPTION AMOUNT AND ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED INSTRUMENTS.

Fluctuations in the value and/or volatility of the Reference Item(s) may affect the value of the relevant Reference Item Linked Instruments. Investors in Reference Item Linked Instruments may risk losing their entire investment if the value(s) of the Reference Item(s) does/do not move in the anticipated direction.

There is no return on Reference Item Linked Instruments other than the potential payment of the Maturity Redemption Amount on maturity and payment of any periodic interest payments.

Other factors which may influence the market value of Reference Item Linked Instruments include interest rates, potential dividend or interest payments (as applicable) in respect of the Reference Item(s), changes in the method of calculating the level of the Reference Item(s) from time to time and market expectations regarding the future performance of the Reference Item(s), its constituents and such Reference Item Linked Instruments.

If any of the Reference Item(s) is an index, the value of such Reference Item on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of such Reference Item and therefore may affect the return on an investment in the relevant Reference Item Linked Instruments.

An Issuer may issue several issues of Reference Item Linked Instruments relating to particular Reference Item(s). However, no assurance can be given that any Issuer will issue any Reference Item Linked Instruments other than the Reference Item Linked Instruments to which the applicable Pricing Supplement relates. At any given time, the number of Reference Item Linked Instruments outstanding may be substantial. Reference Item Linked Instruments provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Instruments relate.

If any of the Reference Item(s) is an equity security or a basket of equity securities, an investment in the relevant Reference Item Linked Instruments may bear similar market risks to a direct equity investment and investors should take advice accordingly.

PROSPECTIVE PURCHASERS OF REFERENCE ITEM LINKED INSTRUMENTS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT PROVISIONS AS

DESCRIBED HEREIN ARE RELEVANT IN RELATION TO SUCH EXEMPT INSTRUMENTS AND HOW SUCH PROVISIONS APPLY.

Dual Currency Instruments

Dual Currency Instruments may be redeemable by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s), which may be less than the par value amount. Interest payable on Dual Currency Instruments may be calculated by reference to the value of one or more Reference Item(s).

Equity Linked Instruments

Each Issuer may issue Exempt Instruments where the amount of principal (“Equity Linked Redemption Instruments”) and/or interest (“Equity Linked Interest Instruments”) payable is dependent upon the price of or changes in the price of an equity security or a basket of equity securities (together, “Equity Linked Instruments”).

Potential investors in any such Exempt Instruments should be aware that, depending on the terms of the Equity Linked Instruments (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or any relevant indices and the timing of changes in the relevant price of the equity security or equity securities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity security or equity securities, the greater the effect on yield.

If a Disrupted Day (being a day on which a relevant Exchange or Related Exchange fails to open or on which a Market Disruption Event occurs) occurs, this may have an effect on the timing of valuation and consequently the value of the Exempt Instruments and/or may delay (i) any applicable interest payments, in the case of Equity Linked Interest Instruments, or (ii) settlement, in the case of Equity Linked Redemption Instruments. Prospective purchasers should review the Terms and Conditions of the Exempt Instruments and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

If Potential Adjustment Events and/or De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer is/are specified as applying in the applicable Pricing Supplement, the Exempt Instruments may be subject to adjustment, including, if applicable, the substitution of the Underlying Equity or Underlying Equities or, in the case of the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency and/or Tender Offer, may be redeemed as further provided in Condition 9.2.

In respect of Equity Linked Instruments relating to an equity security or equity securities originally quoted, listed and/or dealt as of the relevant Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended, if such equity security or equity securities is/are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, prospective purchasers should note that the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of the Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Exempt Instruments. Prospective purchasers should also note that the Calculation Agent will make any conversion necessary for the purposes of

any such adjustment as of the relevant Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time.

The market price of such Exempt Instruments may be volatile and may be affected by the time remaining to the redemption date, the volatility of the equity security or equity securities, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant equity security or equity securities as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such securities may be traded.

Index Linked Instruments

Each Issuer may issue Exempt Instruments where the amount of principal (“Index Linked Redemption Instruments”) and/or interest (“Index Linked Interest Instruments”) payable is dependent upon the level, or changes in the level, of an index or a basket of indices (together, “Index Linked Instruments”).

Potential investors in any such Exempt Instruments should be aware that, depending on the terms of the Index Linked Instruments (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their principal investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If a Disrupted Day (being a day on which either a relevant Exchange or Related Exchange fails to open or the relevant index level is not published or on which a Market Disruption Event occurs) occurs, this may have an effect on the timing of valuation and consequently the value of the Exempt Instruments and/or may delay (i) any applicable interest payments, in the case of Index Linked Interest Instruments, or (ii) settlement, in the case of Index Linked Redemption Instruments. Prospective purchasers should review the Terms and Conditions of the Exempt Instruments and the applicable Pricing Supplement to ascertain how such provisions apply to the Exempt Instruments.

If an Index Adjustment Event (as defined in the “Terms and Conditions of the Instruments” and relating to a relevant index modification, cancellation or disruption) occurs, the relevant Issuer may either require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Exempt Instruments and if so, to calculate the Reference Price as further provided in Condition 8.2(ii)(A), may require the Calculation Agent to substitute the relevant Index with a replacement index using the same or a substantially similar method of calculation as used in the calculation of the relevant Index or the relevant Issuer may elect to redeem all (but not some only) of the Exempt Instruments, each Calculation Amount being redeemed at the Early Termination Amount.

The market price of such Exempt Instruments may be volatile and may be affected by the time remaining to the redemption date and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

Additional Disruption Events (Index Linked Instruments and Equity Linked Instruments only)

If Additional Disruption Events are specified as applying in the applicable Pricing Supplement and any such event as specified occurs, the Exempt Instruments will be subject to adjustment or may be

redeemed, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement. Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

Partly Paid Instruments

In the case of Exempt Instruments only, each Issuer may issue Exempt Instruments where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Instruments with a multiplier or other leverage factor

Instruments with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Instruments

Inverse Floating Rate Instruments have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Instruments typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Instruments are more volatile because an increase in the reference rate not only decreases the interest rate of the Instruments, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Instruments.

Fixed/Floating Rate Instruments

Fixed/Floating Rate Instruments may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer’s ability to convert the interest rate will affect the secondary market and the market value of such Instruments since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments.

Instruments issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The relevant Issuer’s obligations under Subordinated Instruments are subordinated

As described under Condition 3B under “Terms and Conditions of the Instruments”, the payment obligations of the relevant Issuer in respect of Subordinated Instruments issued by it will be subordinated and will rank behind the claims of Senior Creditors of the Issuer. “Senior Creditors of the Issuer” means creditors of the relevant Issuer who are either unsubordinated creditors of the relevant Issuer or who are subordinated creditors of the relevant Issuer but whose claims are

expressed to rank in priority to the claims of the Holders of Subordinated Instruments (whether only in the winding-up of the relevant Issuer or otherwise). Payments of principal and interest in respect of Subordinated Instruments (whether in the winding-up of the relevant Issuer or otherwise) will be conditional upon the relevant Issuer being solvent at the time of making such payments. Principal or interest will not be paid in respect of Subordinated Instruments except to the extent that the relevant Issuer could make such payment and still be solvent immediately thereafter.

In the event of the dissolution, liquidation, special liquidation and/or bankruptcy (to the extent applicable) of the relevant Issuer, the Holders of Subordinated Instruments will only be paid by the relevant Issuer after all Senior Creditors of the Issuer have been paid in full.

The Guarantor's obligations under the Deed of Guarantee in respect of Subordinated Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited are subordinated

As described under Condition 4B under "Terms and Conditions of the Instruments", the payment obligations of the Guarantor under the Deed of Guarantee in respect of Subordinated Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited will be subordinated and will rank behind the claims of Senior Creditors of the Guarantor. "Senior Creditors of the Guarantor" means creditors of the Guarantor who are either unsubordinated creditors of the Guarantor or who are subordinated creditors of the Guarantor but whose claims are expressed to rank in priority to the claims of the Holders of Subordinated Instruments or other persons claiming under the Deed of Guarantee (whether only in the winding-up of the Guarantor or otherwise). Payments under the Deed of Guarantee will be conditional upon the Guarantor being solvent at the time of making such payments. Payment will not be made under the Deed of Guarantee except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter.

In the event of the dissolution, liquidation, special liquidation and/or bankruptcy (to the extent applicable) of the Guarantor, the Holders of Subordinated Instruments will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full.

Although Subordinated Instruments may pay a higher rate of interest than comparable Instruments which are not subordinated, there is a significant risk that an investor in Subordinated Instruments will lose all or some of his investment in the event that the relevant Issuer and (if applicable) the Guarantor become insolvent. Furthermore, pursuant to Law 3864/2010 as amended by Law 4254/2014, in certain circumstances where a credit institution has been unable to cover a capital shortfall through voluntary measures, subordinated instruments may mandatorily be converted into Tier 1 capital instruments including ordinary shares, or the nominal value of such subordinated obligations may mandatorily be decreased.

General risks related to a particular issue of Instruments

No Claim against any Reference Item(s)

An Exempt Instrument will not represent a claim against any Reference Item(s) and, in the event that the amount paid on redemption of the Exempt Instruments is less than the nominal amount of the Exempt Instruments, a Holder will not have recourse under any Exempt Instrument to any Reference Item(s).

An investment in Exempt Instruments linked to one or more Reference Item(s) may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section "General risks related to a particular issue of Instruments". The amount paid on redemption of such Exempt Instruments may be less than

the nominal amount of the Exempt Instruments, together with any accrued interest, and may in certain circumstances be zero.

Hedging

In the ordinary course of its business, including without limitation in connection with its market making activities, the Bank and/or any of its affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Reference Item(s) or related derivatives. In addition, in connection with an offering of Exempt Instruments, the relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates, the relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the relevant Instruments and which could be deemed to be adverse to the interests of the Holders of such Exempt Instruments.

Potential Conflicts of Interest

Where the relevant Issuer or (if applicable) the Guarantor acts as Calculation Agent or the Calculation Agent is an affiliate of the relevant Issuer or (if applicable) the Guarantor, potential conflicts of interest may exist between the Calculation Agent and Holders of the relevant Instruments, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the terms of such Instruments that may influence the amount receivable in respect of the relevant Instruments. The relevant Issuer, (if applicable) the Guarantor and/or any Dealer may at the date hereof or at any time hereafter be in possession of information in relation to any Reference Item(s) that is or may be material in the context of an issue of Instruments and may or may not be publicly available to Holders of the relevant Instruments. There is no obligation on the relevant Issuer, (if applicable) the Guarantor or any Dealer to disclose to Holders of the relevant Instruments any such information. The relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates may have existing or future business relationships with any Reference Item(s) (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Holder of any Instrument.

Impact of the proposed bank recovery and resolution directive

On 6 May 2014, the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "Bank Recovery and Resolution Directive" or "BRRD"). The BRRD will come into force following its publication in the Official Journal of the EU, which is expected to be in June 2014. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution

authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Instruments to equity (the “general bail-in tool”), which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as Subordinated Instruments at the point of non-viability and before any other resolution action is taken (“non-viability loss absorption”). Any shares issued to holders of Subordinated Instruments upon any such conversion into equity may also be subject to any application of the general bail-in tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments (such as Subordinated Instruments) are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, holders of Instruments may be subject to write-down or conversion into equity on any application of the general bail-in tool and, in the case of Subordinated Instruments, non-viability loss absorption, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders of Instruments, the price or value of their investment in the Instruments and/or the ability of the relevant Issuer to satisfy its obligations under the Instruments and (if applicable) the ability of the Guarantor to satisfy its obligations under the Guarantee.

Risks related to Instruments generally

Set out below is a brief description of certain risks relating to the Instruments generally:

Modification, waivers and substitution

The Terms and Conditions of the Instruments contain provisions for calling meetings of Holders of Instruments to consider matters affecting their interests generally. These provisions permit defined

majorities to bind all Holders of Instruments including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The Terms and Conditions of the Instruments also provide that each Issuer may, without the consent of any Holder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the outstanding Instruments issued by such Issuer upon notice by the relevant Issuer and the substituted debtor provided that certain conditions as set out in Condition 21 of the Terms and Conditions of the Instruments are complied with. These conditions include the relevant Issuer not being in default in respect of any amount payable under the Instruments and the relevant Issuer and the substituted debtor entering into such documents as are necessary to give effect to the substitution. Upon such substitution, the substituted debtor shall succeed to, and be substituted for, and may exercise every right and power, of the relevant Issuer under the outstanding Instruments issued by the relevant Issuer with the same effect as if the substituted debtor had been named as the issuer thereof.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Instrument as a result of the imposition of such withholding tax. The Issuers are required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Act Withholding

Whilst the Instruments are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together the “ICSDs”), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“FATCA”) will affect the amount of any payment received by the ICSDs (see Taxation – Foreign Account Tax Compliance Act). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Instruments are discharged once it has paid the common depository or common safekeeper for the ICSDs (as bearer of the Instruments) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

Change of law

The Terms and Conditions of the Instruments are based on English law (save for (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22 which are governed by the laws of the Hellenic Republic) in effect as at the date of issue of the relevant Instruments. No assurance can be given as to the impact of any possible judicial decision or change to English law (or the Hellenic Republic law or to the European legislative regime, as applicable) or administrative practice after the date of issue of the relevant Instruments.

Instruments where denominations involve integral multiples: Definitive Instruments

In relation to any issue of Instruments which have denominations consisting of a minimum denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Instruments may be traded in amounts that are not integral multiples of such minimum denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Instrument in respect of such holding (should Definitive Instruments be printed) and would need to purchase a principal amount of Instruments such that its holding amounts to a denomination.

If Definitive Instruments are issued, holders should be aware that Definitive Instruments which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

Because the Global Instruments are held on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer

Instruments issued under the Programme may be represented by one or more Global Instruments. Such Global Instruments will be deposited with a common depository or a common safekeeper for

Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Instrument, investors will not be entitled to receive definitive Instruments. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Instruments. While the Instruments are represented by one of more Global Instruments, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Instruments are represented by one of more Global Instruments, the relevant Issuer and/or the Guarantor, if applicable, will discharge their payment obligations under the Instruments by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Instrument must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Instruments. The relevant Issuer has no responsibility or liability for the records in relation to, or payments made in respect of, beneficial interests in the Global Instruments.

Holders of beneficial interests in the Global Instruments will not have a direct right to vote in respect of the relevant Instruments. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Instruments will not have a direct right under the Global Instruments to take enforcement action against the relevant Issuer in the event of a default under the relevant Instruments.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Instruments and (if applicable) the Guarantor will make any payments under the Deed of Guarantee in the Currency of Payment specified in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Currency of Payment. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Currency of Payment or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency of Payment would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency-equivalent value of the principal payable on the Instruments and (iii) the Investor's Currency-equivalent market value of the Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in fixed rate Instruments involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Instruments, this will adversely affect the value of the Fixed Rate Instruments.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

Market Value of Instruments

The market value of an issue of Instruments will be affected by a number of factors independent of the creditworthiness of the relevant Issuer or (if applicable) the Guarantor, including, but not limited to:

- (i) in the case of Reference Item Linked Instruments, the value and volatility of the Reference Item(s) and, where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (ii) market interest and yield rates;
- (iii) fluctuations in exchange rates;
- (iv) liquidity of the Instruments or any Reference Item(s) in the secondary market;
- (v) the time remaining to any redemption date or the maturity date; and
- (vi) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded.

In relation to Reference Item Linked Instruments, the price at which a Holder will be able to sell any such Exempt Instruments prior to maturity may be at a discount, which could be substantial, to the market value of such Exempt Instruments on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any such Exempt Instrument.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Instruments are legal investments for it, (ii) Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

Additional Risk Factors

Additional risk factors in relation to specific issues of Exempt Instruments may be included in the applicable Pricing Supplement.

Prospective investors who consider purchasing any Instruments should reach an investment decision only after carefully considering the suitability of such Instruments in light of their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published and have been filed with the CSSF, shall be incorporated in, and form part of, this Prospectus:

- (a) the audited consolidated annual financial statements of the Bank for each of the financial years ended 31 December 2013 and 31 December 2012, as contained within the Bank's Annual Financial Report for the Year Ended 31 December 2013 and Annual Financial Report for the Year Ended 31 December 2012, in each case prepared in accordance with International Financial Reporting Standards ("IFRS"), including the information set out at the following pages of the Bank's 'Consolidated Financial Statements for the Year Ended 2013' and 'Consolidated Financial Statements for the Year Ended 2012', respectively:

	2013	2012
Independent Auditors' Report.....	page 1-2	page 8
Consolidated Income Statement	page 3	page 3
Consolidated Balance Sheet	page 4	page 4
Consolidated Statement of Comprehensive Income..	page 5	page 5
Consolidated Statement of Changes in Equity	page 6	page 6
Consolidated Cash Flow Statement	page 7	page 7
Notes to the Consolidated Financial Statements	pages 8-117	pages 9-54

- (b) the audited annual financial statements of ERB Hellas PLC for each of the financial years ended 31 December 2013 and 31 December 2012, in each case prepared in accordance with IFRS, including the information set out at the following pages of ERB Hellas PLC's 'Annual Report 2013' and ERB Hellas PLC's 'Annual Report 2012', respectively:

	2013	2012
Independent Auditors' Report.....	pages 9-10	pages 7-8
Statement of Comprehensive Income	page 11	page 9
Balance Sheet.....	page 12	page 10
Statement of Changes in Equity	page 13	page 11
Cash Flow Statement.....	page 14	page 12
Notes to the Financial Statements.....	pages 15-38	pages 13-27

- (c) the audited annual non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for each of the financial years ended 31 December 2013 and 31 December 2012, in each case prepared in accordance with IFRS, including the information set out at the following pages of ERB Hellas (Cayman Islands) Limited's 'Annual Report 2013' and ERB Hellas (Cayman Islands) Limited's 'Annual Report 2012', respectively:

	2013	2012
Independent Auditors' Report.....	pages 9-10	pages 7-8
Statement of Comprehensive Income	page 11	page 9
Balance Sheet.....	page 12	page 10
Statement of Changes in Equity	page 13	page 11
Cash Flow Statement.....	page 14	page 12
Notes to the Financial Statements.....	pages 15-40	pages 13 -27

Any information not referred to in the cross-reference lists above but included in the documents incorporated by reference is given for information purposes only rather than information required by the relevant Annexes of the Prospectus Regulation.

Following the publication of this Prospectus a supplement may be prepared by the Obligors and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

In the event of any significant new factor arising or any material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of any Instruments, the Obligors will prepare and publish a supplement to this Prospectus or prepare and publish a new prospectus for use in connection with any subsequent issue of Instruments.

Copies of documents incorporated by reference in this Prospectus can be obtained from the Luxembourg Stock Exchange's website at www.bourse.lu and, free of charge, from the registered office of each Obligor.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF INSTRUMENTS GENERALLY

This Prospectus has been prepared on the basis that would permit an offer of Exempt Instruments with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Exempt Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) must be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Instruments. Accordingly any person making or intending to make an offer of Exempt Instruments in that Relevant Member State may only do so in circumstances in which no obligation arises for any of the relevant Issuer, (if applicable) the Guarantor and/or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the relevant Issuer, (if applicable) the Guarantor and any Dealer has authorised, nor does any of them authorise, the making of any offer of Instruments in circumstances in which an obligation arises for any of the relevant Issuer, (if applicable) the Guarantor and/or any Dealer to publish or supplement a prospectus for such offer.

Instruments will be issued in bearer form or, in the case of Exempt Instruments and if so specified in the applicable Pricing Supplement, in registered form. In respect of each Tranche of Instruments to be issued in bearer form, the relevant Issuer will deliver a temporary global Instrument (a “Temporary Global Instrument”) or (if so specified in the applicable Final Terms) a permanent global instrument (a “Permanent Global Instrument”). Such global Instrument, if the global Instruments are intended to be issued in new global instrument form (“NGI form”), as specified in the applicable Final Terms, will be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) and, if the global Instruments are not intended to be issued in NGI form, will be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or, if so specified in the applicable Final Terms, for Instruments in definitive bearer form (“Definitive Instruments”). Each Permanent Global Instrument will be exchangeable for Definitive Instruments in accordance with its terms. In respect of each Tranche of Exempt Instruments to be issued in registered form, the provisions applicable thereto will be specified in the applicable Pricing Supplement. Any such Exempt Instruments in registered form will be held outside Euroclear and Clearstream, Luxembourg. In relation to Instruments in bearer form, see “Provisions Relating to the Instruments Whilst in Global Form” below.

All references in this document to “U.S.\$” and “\$” are to United States dollars, those to “Sterling” and “£” are to pounds sterling and those to “€”, “euro”, “Euro” and “EUR” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Instruments denominated in any currency, subject as set out herein. The applicable terms of any PD Instruments will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the PD Instruments and will be set out in the Terms and Conditions of the Instruments endorsed on, attached to, or incorporated by reference into, the PD Instruments, as completed by Part A of the applicable Final Terms attached to, or endorsed on, such PD Instruments, as more fully described under “Provisions Relating to the Instruments Whilst in Global Form”. The applicable terms of any Exempt Instruments will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the Exempt Instruments and will be set out in the Terms and Conditions of the Instruments endorsed on, attached to, or incorporated by reference into, the Exempt Instruments, as modified and amended by Part A of the applicable Pricing Supplement attached to, or endorsed on, such Exempt Instruments, as more fully described under “Provisions Relating to the Instruments Whilst in Global Form”.

This Prospectus and any supplement will only be valid for listing PD Instruments on the Luxembourg Stock Exchange during the period of 12 months from the date of approval of this Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Instruments previously or simultaneously issued under the Programme, does not exceed €25,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Instruments issued under the Programme from time to time:

- (a) the euro equivalent of Instruments denominated in another Currency of Denomination (as specified in the applicable Final Terms in relation to the relevant Instruments) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Instruments or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Currency of Denomination in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the euro equivalent of Exempt Instruments with different Currency of Denomination and Currency of Payment, Index Linked Instruments, Equity Linked Instruments and Partly Paid Instruments (each as specified in the applicable Pricing Supplement in relation to the relevant Exempt Instruments) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Exempt Instruments (in the case of Partly Paid Instruments regardless of the subscription price paid); and
- (c) the euro equivalent of Non-interest bearing Instruments (as specified in the applicable Final Terms in relation to the relevant Instruments) and other Instruments issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

TERMS AND CONDITIONS OF THE INSTRUMENTS

This section applies to both Exempt Instruments and PD Instruments (each as defined below).

The following are the Conditions of the Instruments which will be incorporated by reference into each Instrument in global form (a “Global Instrument”) and each definitive Instrument, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Instrument will have endorsed thereon or attached thereto such Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Instruments may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Exempt Instruments. The applicable Final Terms (in the case of PD Instruments) or the applicable Pricing Supplement (in the case of Exempt Instruments) (or, in either case, the relevant provisions thereof) will be endorsed upon, or attached to, each Global Instrument and definitive Instrument. Reference should be made (i) in the case of PD Instruments, to the “applicable Final Terms” for a description of the content of the Final Terms and (ii) in the case of Exempt Instruments, to the “applicable Pricing Supplement”, each of which will specify which of such terms are to apply in relation to the relevant Instruments.

The Instruments are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement (as amended, supplemented or replaced, the “Issue and Paying Agency Agreement”) dated 27 May 2014 and made between ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A. (the “Bank”) (each of which may issue Instruments and references in these Terms and Conditions (the “Conditions”) to the “Issuer” are to the relevant Issuer of such Instruments as specified in the applicable Final Terms (as defined below) or an entity substituted for that Issuer in accordance with Condition 21), the Bank in its capacity as guarantor of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited (in such capacity, the “Guarantor”), Deutsche Bank AG, London Branch in its capacity as issue and paying agent (the “Issue and Paying Agent”, which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and the paying agents named therein (the “Paying Agents”, which expression shall include the Issue and Paying Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement). If the Instruments are issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited they will be irrevocably and unconditionally guaranteed by the Guarantor pursuant and subject to the terms of the Deed of Guarantee (as defined below). References herein to the Guarantor and the Deed of Guarantee shall only be relevant where the Issuer is ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited and shall not apply where the Issuer is the Bank.

For the purposes of making determinations or calculations of interest rates, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Conditions of any Series (as defined below) of Instruments, the Issuer may appoint a calculation agent (the “Calculation Agent”) for the purposes of such Instruments, in accordance with the provisions of the Issue and Paying Agency Agreement, and such Calculation Agent shall be specified in the applicable Final Terms.

The Instruments issued by ERB Hellas PLC have the benefit of a deed of covenant dated 27 May 2014 executed by ERB Hellas PLC, the Instruments issued by ERB Hellas (Cayman Islands) Limited have the benefit of a deed of covenant dated 27 May 2014, executed by ERB Hellas (Cayman Islands) Limited and the Instruments issued by the Bank have the benefit of a deed of covenant dated 27 May 2014 executed by the Bank (each, as amended, supplemented or replaced, a “Deed of Covenant” and references to the “Deed of Covenant” in these Conditions are to the Deed of Covenant executed by the Issuer of such Instruments as specified in the applicable Final Terms or an entity substituted for that Issuer in accordance with Condition 21).

The Guarantor has, for the benefit of the holders of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, executed and delivered an amended and restated deed of guarantee dated 27 May 2014 (as amended or supplemented from time to time, the “Deed of Guarantee”) under which it has guaranteed (on an unsubordinated basis in the case of Unsubordinated Instruments (as defined below) and on a subordinated basis in the case of Subordinated Instruments (as defined below)) the due and punctual payment of all amounts due by the Issuer under the Instruments and the Deed of Covenant as and when the same shall become due and payable.

In the case of Instruments issued by the Bank (“Bank Instruments”) to which Greek law 3156/2003 applies and for the purposes of which the appointment of a Bank Holders’ Agent (as defined below) is required, as per Greek law 3156/2003, the Bank shall appoint an agent of the Holders of Bank Instruments (the “Bank Holders’ Agent”) in accordance with Condition 22 below.

Copies of the Issue and Paying Agency Agreement, the Deed of Covenant, the Deed of Guarantee and (to the extent applicable) the Bank Holders’ Agency Agreement (as defined below) are available for inspection during normal business hours at the registered office of the Issuer and the Guarantor and at the specified office of each of the Paying Agents and, in the case of Bank Instruments, the Bank Holders’ Agent. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee insofar as they relate to the relevant Instruments.

The final terms for this Instrument (or the relevant provisions thereof) are set out in Part A of the Final Terms (the “Final Terms”) attached to or endorsed on this Instrument which complete these Conditions or, if this Instrument is an Instrument which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an “Exempt Instrument”), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement (the “Pricing Supplement”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Instrument (where this Instrument is an Exempt Instrument). References to the “applicable Final Terms” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Instrument. Any reference in the Conditions to “applicable Final Terms” shall be deemed to include a reference to “applicable Pricing Supplement” where relevant. The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) to the extent implemented in the relevant Member State of the European Economic Area and includes any relevant implementing measure in the relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

The Instruments are issued in series (each, a “Series”), and each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) of Instruments.

Each Tranche of Instruments listed on the Luxembourg Stock Exchange or offered to the public in the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (“PD Instruments”), will be the subject of an applicable Final Terms document, a copy of which will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu and, free of charge, at the registered office of the Issuer and the Guarantor. Each Tranche of Exempt Instruments will be the subject of an applicable Pricing Supplement document, but a copy of which will only be available at the registered office of the Issuer and the Guarantor (if applicable) by a holder of the relevant Exempt Instruments where such holder produces evidence satisfactory to the Issuer or the Guarantor, as the case may be, as to its holding of such Exempt Instruments.

References in these Conditions to Instruments are to Instruments of the relevant Series and any references to Coupons (as defined in Condition 1.2) and, in the case of Exempt Instruments only, Receipts (as defined in Condition 1.3) are to Coupons and, in the case of Exempt Instruments only, Receipts relating to Instruments of the relevant Series.

In these Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. Form and Denomination

Form of Instruments

- 1.1 Unless the Instruments are Exempt Instruments and are specified in the applicable Pricing Supplement as being in registered form, the Instruments are issued in bearer form and if in definitive form are serially numbered. If the Instruments are Exempt Instruments and issued in registered form, the provisions applicable thereto will be set out in the applicable Pricing Supplement.
- 1.2 Interest-bearing Instruments have attached thereto at the time of their initial delivery coupons (“Coupons”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, in the case of Instruments which, when issued in definitive form, have more than 27 interest payments remaining, such Instruments will have attached thereto at the time of their initial delivery a talon (“Talon”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons.
- 1.3 This Condition 1.3 is applicable only to Exempt Instruments. Where the principal amount is repayable by instalments (“Instalment Exempt Instruments”), such Instalment Exempt Instruments have attached thereto at the time of their initial delivery payment receipts (“Receipts”) in respect of the instalments of principal.

Denomination of Instruments

- 1.4 Instruments are in the denomination or denominations specified in the applicable Final Terms. Instruments of one denomination may not be exchanged for Instruments of any other denomination.

Currency of Instruments

- 1.5 The Instruments are denominated in the currency specified in the applicable Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Partly Paid Instruments

This Condition 1.6 is applicable only to Exempt Instruments.

- 1.6 Exempt Instruments may be issued on a partly paid basis (“Partly Paid Instruments”) if so specified in the applicable Pricing Supplement. The subscription moneys therefor shall be paid in such number of instalments (“Partly Paid Instalments”) in such amounts, on such dates and in such manner as may be specified in the applicable Pricing Supplement. The first such instalment shall be due and payable on the date of issue of the Exempt Instruments. For the purposes of these Conditions, in respect of any Partly Paid Instrument, “Paid Up Amount” means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with the Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 18 stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Instruments with effect from such date (“Forfeiture Date”) as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless payment of the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Instruments subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Interest Rate (in the case of non-interest bearing Instruments, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Instruments for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 6.9).

Unless an Event of Default or a Subordinated Default Event (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default or a Subordinated Default Event) shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Instruments in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Exempt Instruments and shall be discharged from any obligation to repay such amount or to pay interest thereon.

2. Title and Transfer

- 2.1 Title to Instruments and Coupons passes by delivery. References herein to the “Holders” of Instruments or of Coupons are to the bearers of such Instruments or such Coupons.
- 2.2 This Condition 2.2 is applicable only to Exempt Instruments. In the case of Exempt Instruments, title to Receipts passes by delivery. References herein to “Holders” of Receipts are to the bearers of such Receipts.
- 2.3 The Holder of any Instrument or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

3. Status of the Instruments

3A Status – Unsubordinated Instruments

- 3A.1 This Condition 3A is applicable only in relation to Instruments specified in the applicable Final Terms as being unsubordinated or not specified as being subordinated (“Unsubordinated Instruments”).

3A.2 The Unsubordinated Instruments constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer (save for such obligations as may be preferred by mandatory provisions of applicable law).

3B *Status – Subordinated Instruments*

3B.1 This Condition 3B is applicable only in relation to Instruments specified in the applicable Final Terms as being subordinated (“Subordinated Instruments”).

3B.2 The Subordinated Instruments constitute direct, unsecured and subordinated obligations of the Issuer and rank at all times *pari passu* among themselves.

The claims of the Holders will be subordinated to the claims of Senior Creditors of the Issuer (as defined below) in that payments of principal and interest in respect of the Instruments (whether in the winding-up of the Issuer or otherwise) will be conditional upon the Issuer being solvent at the time of payment by the Issuer and in that no principal or interest shall be payable in respect of the Subordinated Instruments (whether in the winding-up of the Issuer or otherwise) except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For this purpose, the Issuer shall be considered to be solvent if it can pay principal and interest in respect of the Subordinated Instruments and still be able to pay its outstanding debts to Senior Creditors of the Issuer which are due and payable.

“Senior Creditors of the Issuer” means creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) who are subordinated creditors of the Issuer whose claims are expressed to rank in priority to the claims of the Holders (whether only in the winding-up of the Issuer or otherwise).

In the case of dissolution, liquidation, special liquidation and/or bankruptcy (as the case may be and to the extent applicable) of the Issuer, the Holders will only be paid by the Issuer after all Senior Creditors of the Issuer have been paid in full and the Holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Issuer in such circumstances. Such waiver constitutes a genuine contract benefitting third parties and, according to article 411 of the Greek Civil Code, creates rights for Senior Creditors.

4. Status of Guarantee

4A *Status – Unsubordinated Guarantee*

4A.1 This Condition 4A is applicable only in relation to Unsubordinated Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited.

4A.2 The obligations of the Guarantor under the Deed of Guarantee constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject to the provisions of Condition 5) and unsubordinated obligations of the Guarantor (save for such obligations as may be preferred by mandatory provisions of applicable law).

4B *Status – Subordinated Guarantee*

4B.1 This Condition 4B is applicable only in relation to Subordinated Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited.

4B.2 The obligations of the Guarantor under the Deed of Guarantee constitute direct, general, unconditional, subordinated and unsecured obligations of the Guarantor. All claims under the Deed of Guarantee will be subordinated to the claims of Senior Creditors of the Guarantor (as defined below) in that payments under the Deed of Guarantee (whether in the winding-up of the Guarantor or otherwise) will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under the Deed of Guarantee (whether in the winding-up of the Guarantor or otherwise) except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Instruments and still be able to pay, in accordance with the Deed of Guarantee, its outstanding debts to Senior Creditors of the Guarantor which are due and payable.

“Senior Creditors of the Guarantor” means creditors of the Guarantor (a) who are unsubordinated creditors of the Guarantor, or (b) who are subordinated creditors of the Guarantor whose claims are expressed to rank in priority to the claims of the Holders or other persons claiming under the Deed of Guarantee (whether only in the winding-up of the Guarantor or otherwise).

In the case of dissolution, liquidation, special liquidation and/or bankruptcy (as the case may be and to the extent applicable) of the Guarantor the Holders will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full and the Holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor in such circumstances.

5. Negative Pledge

This Condition 5 is applicable only to Unsubordinated Instruments.

So long as any of the Instruments remains outstanding (as defined in the Issue and Paying Agency Agreement), neither the Issuer nor the Guarantor shall create or permit to be outstanding any mortgage, charge, lien, pledge or other similar encumbrance or security interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Indebtedness (as defined below) or any guarantee or indemnity given in respect of any Indebtedness, without, in the case of the creation of an encumbrance or security interest, at the same time and, in any other case, promptly according to the Holders of the Instruments an equal and rateable interest in the same or providing to the Holders of the Instruments such other security as shall be approved by an Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of the Holders of the Instruments, save that the Issuer or the Guarantor may create or permit to subsist a security interest or like arrangement to secure Indebtedness and/or any guarantee or indemnity given in respect of Indebtedness of any person, in each case as aforesaid, (but without the obligation to accord or provide to the Holders of the Instruments either an equal and rateable interest in the same or such other security or like arrangement as aforesaid) where such security interest or like arrangement:

- (i) is created pursuant to any securitisation, asset-backed financing or like arrangement in accordance with normal market practice and whereby the amount of Indebtedness secured by such security interest or in respect of which any guarantee or indemnity is secured by such security interest is limited to the value of the assets secured; or
- (ii) is granted in relation to any Covered Bonds issued by the Issuer or the Guarantor.

“Covered Bond” means any bond, note, debenture or other security (however defined) designated by the Issuer and the Guarantor as a covered bond and secured on a segregated pool of assets.

“Indebtedness” means any borrowings having an original maturity of more than one year in the form of or represented by bonds, notes, debentures or other securities which, with the consent of the Issuer are, or are intended to be, listed or traded on any stock exchange, over-the-counter or other organised market for securities (whether or not initially distributed by way of private placing).

6. Interest

Interest

- 6.1 Instruments may be interest-bearing or non interest-bearing, as specified in the applicable Final Terms. Words and expressions appearing in this Condition 6 and not otherwise defined herein or in the applicable Final Terms shall have the meanings given to them in Condition 6.9.

Interest-bearing Instruments

- 6.2 Instruments which are specified in the applicable Final Terms as being interest-bearing shall bear interest from their Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date.

Floating Rate Instruments – Determination of Interest Rate

- 6.3 If the applicable Final Terms specify the Interest Rate applicable to the Instruments as being Floating Rate they shall also specify which page (the “Relevant Screen Page”) on the Reuters Screen or any other information vending service shall be applicable. If such a page is so specified, the Interest Rate applicable to the relevant Instruments for each Interest Accrual Period shall be determined by the Calculation Agent on the following basis:
- (i) the Calculation Agent will determine the offered rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the rates for deposits) in the Specified Currency as specified in the applicable Final Terms for a period of the duration of the relevant Interest Accrual Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the Specified Currency are offered by four major banks in the London interbank market (or, in the case of Instruments denominated or payable in euro, the euro zone interbank market), selected by the Calculation Agent, at approximately the Relevant Time on the Interest Determination Date to prime banks in the relevant interbank market, for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (or in such financial centre or centres within the euro zone as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the relevant Interest Accrual Period for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Interest Rate applicable to such Instruments during each Interest Accrual Period will be the sum of the relevant margin (the “Relevant Margin”) specified in the applicable Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) so determined provided, however, that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Accrual Period, the Interest Rate applicable to such Instruments during such Interest Accrual Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) determined in relation to such Instruments in respect of the last preceding Interest Accrual Period.

ISDA Rate Instruments — Determination of Interest Rate

- 6.4 If the applicable Final Terms specify the Interest Rate applicable to the Instruments as being ISDA Rate, each Instrument shall bear interest as from such date, and at such rate or in such amounts, and such interest will be payable on such dates, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into an interest rate swap transaction with the Holder of such Instrument under the terms of an agreement to which the ISDA Definitions applied and under which:
- the Fixed Rate Payer, Fixed Amount Payer, Fixed Price Payer, Floating Rate Payer, Floating Amount Payer, the Floating Price Payer is the Issuer (as specified in the applicable Final Terms);
 - the Effective Date is the Interest Commencement Date;
 - the Termination Date is the Maturity Date;
 - the Calculation Agent is the Calculation Agent as specified in the applicable Final Terms;
 - the Calculation Periods are the Interest Accrual Periods;
 - the Period End Dates are the Interest Period End Dates;
 - the Payment Dates are the Interest Payment Dates;
 - the Reset Dates are the Interest Period End Dates;
 - the Calculation Amount is the principal amount of such Instrument;

- the Day Count Fraction applicable to the calculation of any amount is that specified in the applicable Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions;
- the Applicable Business Day Convention applicable to any date is that specified in the applicable Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the other terms are as specified in the applicable Final Terms.

Maximum or Minimum Interest Rate

- 6.5 If any Maximum or Minimum Interest Rate is specified in the applicable Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

Accrual of Interest

- 6.6 Interest shall accrue on the Outstanding Principal Amount of each Instrument during each Interest Accrual Period from, and including, the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Exempt Instrument only, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 7.12). In the case of Instalment Exempt Instruments only, the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 18 that the Issue and Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

- 6.7 If a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or, in the case of Instalment Exempt Instruments only, Instalment Amount, obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the “Interest Amount(s)”) in respect of the Calculation Amount of the Instruments for the relevant Interest Accrual Period, calculate the Redemption Amount or, in the case of Instalment Exempt Instruments only, Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount or, in the case of Instalment Exempt Instruments only, any Instalment Amount to be notified to the Issue and Paying Agent, the Issuer, the Holders in accordance with Condition 18 and, if the Instruments are listed on a stock exchange and the rules of such exchange so requires, such

exchange as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange, no later than the first day of the relevant Interest Accrual Period. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or the Interest Period. If the Instruments become due and payable under Condition 11, the Interest Rate and the accrued interest payable in respect of the Instruments shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and, in the case of Instalment Exempt Instruments only, Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer, the Guarantor and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Interest Rate applicable to the Instruments and a Calculation Agent, if provision is made for one in the Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Calculations and Adjustments

- 6.8 The amount of interest payable in respect of any Instrument for any period shall be calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the applicable Final Terms specify a specific amount in respect of such period, the amount of interest payable in respect of such Instrument for such period will be equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in the applicable Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

Definitions

- 6.9 “Applicable Business Day Convention” means the “Business Day Convention” which may be specified in the applicable Final Terms as applicable to any date in respect of the Instruments. Where the applicable Final Terms specify “No Adjustment” in relation to any date, such date

shall not be adjusted in accordance with any Business Day Convention. Where the applicable Final Terms fail either to specify an applicable Business Day Convention or “No Adjustment” for the purposes of an Interest Payment Date or an Interest Period End Date, then in the case of Instruments which bear interest at a fixed rate, “No Adjustment” shall be deemed to have been so specified and in the case of Instruments which bear interest at a floating rate, the Modified Following Business Day Convention shall be deemed to have been so specified. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Instruments.

“Banking Day” means, in respect of any city, any day (other than Saturdays and Sundays) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.

“Business Day” means a day (other than a Saturday or Sunday):

- (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (ii) in relation to Instruments denominated or payable in euro, on which the TARGET2 System is operating; and
- (iii) in relation to Instruments payable in any other currency, on which commercial banks and foreign exchange markets settle payments and are open for general business in the Relevant Financial Centre in respect of the relevant currency.

“Business Day Convention” means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the applicable Final Terms in relation to any date applicable to any Instruments, shall have the following meanings:

- (i) “Following Business Day Convention” means that such date shall be postponed to the first following day that is a Business Day;
- (ii) “Modified Following Business Day Convention” or “Modified Business Day Convention” means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) “Preceding Business Day Convention” means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (iv) “FRN Convention” or “Eurodollar Convention” means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Final Terms after the calendar month in which the preceding such date occurred, provided that
 - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless

that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (“Calculation Period”), such day count fraction as may be specified in the applicable Final Terms and

- (i) if “Actual/Actual” or “Actual/Actual (ISDA)” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if “30E/360” or “Eurobond Basis” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (vi) if “30E/360 (ISDA)” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

“euro zone” means the zone comprising the Member States of the European Union which adopt or have adopted the euro as their lawful currency in accordance with the Treaty.

“Interest Accrual Period” means, in respect of an Interest Period, each successive period beginning on, and including, an Interest Period End Date and ending on, but excluding, the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date.

“Interest Commencement Date” means the date of issue of the Instruments (as specified in the applicable Final Terms) or such other date as may be specified as such in the Final Terms.

“Interest Determination Date” means, in respect of any Interest Accrual Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the applicable Final Terms prior to the first day of such Interest Accrual Period, or if none is specified:

- (i) in the case of instruments denominated or payable in euro, the date falling two TARGET Business Days prior to the first day of such Interest Accrual Period; and
- (ii) in any other case, the date falling two London Banking Days prior to the first day of such Interest Accrual Period.

“Interest Payment Date” means the date or dates specified as such in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms and, if an Applicable Business Day Convention is specified in the applicable Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the applicable Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the date of issue of the Instruments (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

“Interest Period” means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the date of final maturity.

“Interest Period End Date” means the date or dates specified as such in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms and, if an Applicable Business Day Convention is specified in the applicable Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the applicable Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the applicable Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments.

“Interest Rate” means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Instruments specified in, or, in the case of Exempt Instruments only, calculated or determined in accordance with the provisions of, the applicable Final Terms.

“ISDA Definitions” means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Instruments of the relevant Series (as specified in the applicable Final Terms) as published by the International Swaps and Derivatives Association, Inc.

“Outstanding Principal Amount” means, in respect of an Instrument, its principal amount less, in respect of any Instalment Exempt Instrument, any principal amount on which interest shall have ceased to accrue in accordance with Condition 6.6 or, in the case of a Partly Paid Instrument, the Paid Up Amount of such Exempt Instrument or otherwise as indicated in the applicable Pricing Supplement except that the Paid Up Amount shall be deemed to be nil for Exempt Instruments which have been forfeited by the Issuer on or after the Forfeiture Date as provided for in Condition 1.6.

“Reference Banks” means such banks as may be specified in the applicable Final Terms as the Reference Banks or, if none are specified, “Reference Banks” has the meaning given in the ISDA Definitions, *mutatis mutandis*.

“Relevant Financial Centre” means (i) in the case of a rate at which deposits are offered in the London interbank market, London or (ii) in the case of a rate at which deposits are offered in the euro zone interbank market, Brussels or, in the case of Exempt Instruments, such other financial centre or centres as may be specified in the applicable Pricing Supplement.

“Relevant Time” means 11:00 a.m. in the Relevant Financial Centre, or, in the case of Exempt Instruments, such other time as may be specified in the applicable Pricing Supplement.

“Reuters Screen” means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying such information).

“TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

“TARGET Business Day” means a day on which the TARGET2 System is operating.

“Treaty” means the Treaty on the Functioning of the European Union, as amended.

Non-Interest Bearing Instruments

- 6.10 If any Redemption Amount (as defined in Condition 7.12) or, in the case of Instalment Exempt Instruments only, Instalment Amount (as defined in Condition 7.1) in respect of any Instrument which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms or at such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 18 that the Issue and Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be

calculated in accordance with the provisions of Condition 6.8 as if the Interest Rate was the Amortisation Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the applicable Final Terms or, if not so specified, 30E/360 (as defined in Condition 6.9).

Index Linked Interest Instruments

This Condition 6.11 is applicable only to Exempt Instruments.

- 6.11 If the Instruments are Exempt Instruments and specified in the applicable Pricing Supplement as being Index Linked Interest Instruments, the provisions relating to the computation of interest for such Exempt Instruments will be set out in the applicable Pricing Supplement and the provisions of this Condition 6 will be subject to Condition 8.

Equity Linked Interest Instruments

This Condition 6.12 is applicable only to Exempt Instruments.

- 6.12 If the Instruments are Exempt Instruments and specified in the applicable Pricing Supplement as being Equity Linked Interest Instruments, the provisions relating to the computation of interest for such Exempt Instruments will be set out in the applicable Pricing Supplement and the provisions of this Condition 6 will be subject to Condition 9.

7. Redemption and Purchase

Redemption at Maturity

- 7.1 Except in the case of Exempt Instruments which are Index Linked Redemption Instruments (in relation to which Condition 8.1 applies) and Exempt Instruments which are Equity Linked Redemption Instruments (in relation to which Condition 9.1 applies), unless previously redeemed, or purchased and cancelled or unless such Instrument is stated in the applicable Final Terms as having no fixed maturity date, each Instrument shall be redeemed at its maturity redemption amount (the "Maturity Redemption Amount") being (i) in the case of PD Instruments, at its Outstanding Principal Amount, (ii) in the case of Exempt Instruments, at its Outstanding Principal Amount or such other redemption amount as may be specified in or determined in accordance with the applicable Pricing Supplement on the Maturity Date or (iii), in the case of Instalment Exempt Instruments, in such number of instalments and in such amounts ("Instalment Amounts") as may be specified in, or determined in accordance with the provisions of, the applicable Pricing Supplement on the dates specified in the applicable Pricing Supplement.

Early Redemption for Taxation Reasons

- 7.2 If, in relation to any Series of Instruments as a result of any change in the laws, regulations or rulings of the Taxing Jurisdiction of the Issuer or, as the case may be, the Guarantor or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date on which agreement is reached to issue the first Tranche of such Instruments, the Issuer would be required to pay additional amounts as provided in Condition 12 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, the Issuer may, at its option (but, in the case of Subordinated Instruments, subject to consent thereto having been obtained from the Competent Authority), and having given no less than thirty nor more than sixty days' notice (ending, in the case of

Instruments which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Instruments in accordance with Condition 18 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their early tax redemption amount (the “Early Redemption Amount (Tax)”) (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.13) or such other redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms), together with accrued interest (if any) thereon provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Instruments which bear interest at a floating rate, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Instruments plus 60 days) prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Instruments then due.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.6.

“Competent Authority” means, pursuant to Council Regulation (EU) 1024/2013, (i) until and including 3 November 2014, the Bank of Greece and (ii) from and including 4 November 2014, the European Central Bank.

“Taxing Jurisdiction” means, in the case of ERB Hellas PLC, the United Kingdom, in the case of ERB Hellas (Cayman Islands) Limited, the Cayman Islands, in the case of the Bank, the Hellenic Republic and, in the case of the Guarantor, the Hellenic Republic.

Optional Early Redemption (Call)

- 7.3 If this Condition 7.3 is specified in the applicable Final Terms as being applicable, then the Issuer may, subject, in the case of Subordinated Instruments to the prior consent of the Competent Authority, having given the appropriate notice, and subject to such conditions as may be specified in the applicable Final Terms, redeem all (but not, unless and to the extent that the applicable Final Terms specify otherwise, some only) of the Instruments of the relevant Series at their call early redemption amount (the “Early Redemption Amount (Call)”) (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.13) or such other redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms), together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.6.

- 7.4 The appropriate notice referred to in Condition 7.3 is a notice given by the Issuer to the Holders of the Instruments of the relevant Series in accordance with Condition 18, which notice shall be irrevocable and shall specify
- the Series of Instruments subject to redemption;
 - whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global

Instrument or Permanent Global Instrument) the serial numbers of the Instruments of the relevant Series which are to be redeemed;

- the due date for such redemption, which shall be not less than thirty days nor more than sixty days after the date on which such notice is given and which shall be such date or the next of such dates (“Call Option Date(s)”) or a day falling within such period (“Call Option Period”), as may be specified in the applicable Final Terms and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable; and
- the Early Redemption Amount (Call) at which such Instruments are to be redeemed.

Partial Redemption

- 7.5 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 7.3, the Instruments to be redeemed shall be not less than the Minimum Redemption Amount (if any) or not more than the Maximum Redemption Amount (if any), both as indicated in the applicable Final Terms and shall be drawn by lot in such European city as the Issue and Paying Agent may specify, or identified in such other manner or in such other place as the Issue and Paying Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Instruments may be listed.

A list of the Instruments called for redemption will be published in accordance with Condition 18 not less than fifteen days prior to the date fixed for redemption.

Optional Early Redemption (Put)

- 7.6 This Condition 7.6 is applicable only to Unsubordinated Instruments.

If this Condition 7.6 is specified in the applicable Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the “Early Redemption Amount (Put)”) (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.13) or such other redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates (“Put Date(s)”) or a day falling within such period (“Put Period”) as may be specified in the applicable Final Terms), deposit the relevant Instrument (together, in the case of an interest-bearing Instrument, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 13A.6 apply)) during normal business hours at the specified office of any Paying Agent together with a duly completed early redemption notice (“Put Notice”) in the form which is available from the specified office of any of the Paying Agents. No Instrument so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement).

The holder of an Instrument may not exercise such option in respect of any Instrument which is (a) the subject of an exercise by the Issuer of its option to redeem such Instrument under either Condition 7.2 or 7.3 or (b) a Subordinated Instrument.

Purchase of Instruments

- 7.7 The Issuer, the Guarantor and any of the Bank's subsidiaries may at any time purchase Instruments in the open market or otherwise and at any price provided that all unmatured Coupons and, in the case of Exempt Instruments only, Receipts appertaining thereto are purchased therewith. Such Instruments may be held, reissued or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation (subject, in the case of Subordinated Instruments, as provided in Condition 7.8 below).

Cancellation of Redeemed and Purchased Instruments

- 7.8 All unmatured Instruments and Coupons and unexchanged Talons redeemed or purchased, otherwise than in the ordinary course of business of dealing in securities or as a nominee in accordance with this Condition 7, will be cancelled forthwith and may not be reissued or resold. In the case of Subordinated Instruments, cancellation thereof may be subject to consent thereto having been obtained from the Competent Authority.

Illegality

- 7.9 In the event that the Issuer determines that the performance of the Issuer's obligations under the Instruments or the Guarantor's obligations in respect thereof under the Deed of Guarantee has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to Holders in accordance with Condition 18 (which notice shall be irrevocable), may, on expiry of such notice redeem all (but not some only) of the Instruments, each Calculation Amount (as set out in the applicable Final Terms) being redeemed at the Early Termination Amount (as defined below) together with all interest (if any) accrued thereon.

Autocallable Instruments

This Condition 7.10 is applicable only to Exempt Instruments.

- 7.10 If Autocall is specified as applying in the applicable Pricing Supplement, unless previously redeemed or purchased and cancelled, upon the occurrence of an Autocall Event (as set out in the applicable Pricing Supplement), each nominal amount of the Instruments equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer at the Autocall Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Autocall Redemption Date.

If the Exempt Instruments are to be so redeemed, the Issuer will give notice to the Holders of the Exempt Instruments in accordance with Condition 18 as soon as practicable after the Autocall Event has been determined.

Further Provisions applicable to Redemption Amount and Instalment Amounts

- 7.11 The provisions of Condition 6.7 and the last paragraph of Condition 6.8 shall apply to any determination or calculation of the Redemption Amount or, in the case of Instalment Exempt Instruments only, any Instalment Amount required by the applicable Final Terms to be made by the Calculation Agent.
- 7.12 References herein to "Redemption Amount" shall mean, as appropriate, the Maturity Redemption Amount, the final Instalment Amount (in the case of Instalment Exempt

Instruments only), the Early Redemption Amount (Tax), the Early Redemption Amount (Call), the Early Redemption Amount (Put) and the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms.

7.13 In the case of any Instrument which is non-interest bearing, the “Amortised Face Amount” shall be an amount equal to the sum of:

- (i) the Issue Price specified in the applicable Final Terms; and
- (ii) the product of the Amortisation Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the applicable Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 6.9) specified in the applicable Final Terms for the purposes of this Condition 7.13.

7.14 In the case of any Instrument which is non-interest bearing, if any Redemption Amount (other than the Maturity Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 7.13 but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Instrument becomes due and repayable were replaced by references to the earlier of:

- (i) the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made; and
- (ii) (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 18 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

8. Index Linked Instruments

This Condition 8 is applicable only to Exempt Instruments.

If an Exempt Instrument is specified as an Index Linked Interest Instrument and/or Index Linked Redemption Instrument in the applicable Pricing Supplement then the provisions of this Condition 8 apply, as applicable, as modified by the applicable Pricing Supplement.

Redemption at Maturity of Exempt Instruments that are Index Linked Redemption Instruments

8.1 Unless previously redeemed or purchased and cancelled, each nominal amount of the Index Linked Redemption Instruments equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer at the Maturity Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

Adjustments to an Index

8.2 (i) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a "Successor Index Sponsor") acceptable to the Calculation Agent or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the "Successor Index") will be deemed to be the Index.

(ii) Modification and Cessation of Calculation of an Index

If (a) on or prior to a Valuation Date or an Averaging Date the relevant Index Sponsor or, if applicable, the relevant Successor Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an "Index Modification") or permanently cancels the Index and no Successor Index exists (an "Index Cancellation"), or (b) on a Valuation Date or an Averaging Date the relevant Index Sponsor or, if applicable, the relevant Successor Index Sponsor fails to calculate and announce a relevant Index (an "Index Disruption" and, together with an Index Modification and an Index Cancellation, each an "Index Adjustment Event"), then the Issuer may take the action described in (A) or (B) below:

(A) in relation to any day on which the Calculation Agent is required to determine the Reference Price for such Index for such day, require the Calculation Agent to (x) determine if such Index Adjustment Event has a material effect on the Instruments and, if so, to calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event or (y) substitute the relevant Index with a replacement index using the same or a substantially similar method of calculation as used in the calculation of the relevant Index and the Calculation Agent shall determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for such substitution;

(B) give notice to the Holders in accordance with Condition 18 and redeem all (but not some only) of the Instruments, each Calculation Amount being redeemed at the Early Termination Amount.

(iii) Notice

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 18 giving details of the action proposed to be taken in relation thereto.

Correction of an Index

- 8.3 If Correction of Index Levels is specified as applying in the applicable Pricing Supplement and the level of an Index published on a Valuation Date or an Averaging Date used to determine the relevant Interest Amount and/or Maturity Redemption Amount, as the case may be, is subsequently corrected and the correction (the “Corrected Index Level”) is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Index Level shall be deemed to be the level for such Index for such Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Index Level in determining the relevant Interest Amount and/or the Maturity Redemption Amount, as the case may be.

Definitions applicable to Exempt Instruments that are Index Linked Instruments

- 8.4 “Averaging Date” means each date specified as an Averaging Date in the applicable Pricing Supplement or (if any such date is not a Scheduled Trading Day) the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
- (i) if “Omission” is specified in the applicable Pricing Supplement as applying, then such date will be deemed not to be an Averaging Date provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if “Postponement” is specified in the applicable Pricing Supplement as applying, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
 - (iii) if “Modified Postponement” is specified in the applicable Pricing Supplement as applying:
 - (a) where the Exempt Instruments relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (i)(b) of the definition of “Valuation Date” below; and
 - (b) where the Exempt Instruments relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the “Scheduled Averaging Date”) and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the

original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (ii)(b) of the definition of “Valuation Date” below.

If the applicable Pricing Supplement specifies a number of Averaging Roll Days (other than eight), references in this definition of “Averaging Date” to “eighth Scheduled Trading Day” (and related references) shall be construed with reference to such number of Averaging Roll Days.

“Disrupted Day” means (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, any Scheduled Trading Day on which (a) the relevant Index Sponsor fails to publish the level of the Index, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred.

“Early Closure” means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

“Exchange” means:

- (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and
- (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, in relation to each component security of that Index (each a “Component Security”), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

“Exchange Business Day” means either (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange is open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, any

Scheduled Trading Day on which (a) the Index Sponsor publishes the level of the Index and (b) each Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on any Related Exchange.

“Indices” and “Index” mean, subject to adjustment in accordance with Condition 8.2, the indices or index specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

“Index Sponsor” means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Pricing Supplement.

“Market Disruption Event” means, in respect of an Index:

- (i) where such Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index:
 - (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
 - (A) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (x) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or
 - (y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (B) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (I) to effect transactions in, or obtain market values for, on any relevant Exchange(s), securities that comprise 20 per cent. or more of the level of the relevant Index, or (II) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such

Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material; or

(ii) where such Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, in respect of a Component Security included in such Index either:

(a) (i) the occurrence or existence, in respect of any Component Security, of:

(A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;

(B) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or

(C) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; and

(ii) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(b) the occurrence or existence, in respect of futures or options contracts relating to the Index, of:

(A) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange;

(B) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange; or

(C) an Early Closure,

in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in relation to an Index or in respect of a Component Security at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the Index or such Component Security at that time, then the relevant percentage contribution of that security or Component Security, as the case may be, to the level of that Index shall be based on a comparison of (x) the portion of the level of that Index attributable to that security or Component Security, as the case may be, and (y) the overall level of that Index, in each case either (a) except where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (b) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange

Index, using the official opening weightings as published by the Index Sponsor as part of the market “opening data”.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or an Averaging Date. Without limiting the obligation of the Issuer to give notice to the Holders as set forth in the preceding sentence, failure by the Issuer to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

“Reference Price” means:

- (i) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a single Index, an amount equal to the official closing level of the Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Pricing Supplement, the level of the Index determined by the Calculation Agent at such Valuation Time) on (a) if Valuation Dates are specified in the applicable Pricing Supplement, a Valuation Date (as defined below) or (b) if Averaging Dates are specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction; and
- (ii) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a Basket of Indices, an amount equal to the sum of the values calculated for each Index as the official closing level of each Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Pricing Supplement, the level of the Index determined by the Calculation Agent at such Valuation Time) on (a) if Valuation Dates are specified in the applicable Pricing Supplement, a Valuation Date or (b) if Averaging Dates are specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction, multiplied by the relevant Multiplier specified in the applicable Pricing Supplement.

“Related Exchange” means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Pricing Supplement, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or option contracts relating to such Index.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular

trading sessions or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, (a) any day on which the Index Sponsor is scheduled to publish the level of that Index and (b) each Related Exchange is scheduled to be open for trading for its regular trading session.

“Scheduled Valuation Date” means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

“Strike Price” means the price or prices specified in the applicable Pricing Supplement.

“Trading Disruption” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

“Valid Date” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

“Valuation Date” means the date or, in the case of Index Linked Interest Instruments, each date specified as such in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (i) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a single Index, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Calculation Agent shall determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day);
or
- (ii) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a Basket of Indices, that Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “Affected Index”) shall be the next following Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (b) the Calculation Agent shall determine the

Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

If the applicable Pricing Supplement specifies a number of Valuation Roll Days (other than eight), references in this definition of “Valuation Date” to “eight Scheduled Trading Days” and “eighth Scheduled Trading Day” (and related references) shall be construed with reference to such number of Valuation Roll Days.

“Valuation Time” means:

- (i) in respect of each Index specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, the Valuation Time specified in the applicable Pricing Supplement or if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to such Index. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (ii) in respect of each Index specified in the applicable Pricing Supplement as being a Multi-Exchange Index, (a) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (y) in respect of any options contracts or futures contracts on the relevant Index, the close of trading on the relevant Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (a) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

9. Equity Linked Instruments

This Condition 9 is applicable only to Exempt Instruments.

If an Exempt Instrument is specified as an Equity Linked Interest Instrument and/or Equity Linked Redemption Instrument in the applicable Pricing Supplement then the provisions of this Condition 9 apply, as applicable, as modified by the applicable Pricing Supplement.

Redemption at Maturity of Exempt Instruments that are Equity Linked Redemption Instruments

- 9.1 Unless previously redeemed or purchased and cancelled, each nominal amount of Equity Linked Redemption Instruments equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer by payment of the Maturity Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

Potential Adjustment Events, De-listing, Merger Event, Nationalisation and Insolvency, Tender Offer, Adjustments for Equity Linked Instruments in respect of Underlying Equities quoted in European Currencies and Correction of Underlying Equity Prices

- 9.2 (i) If Potential Adjustment Events are specified in the applicable Pricing Supplement (as applicable), then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative or other effect on the theoretical value of the Underlying Equities and, if so, will (a) make the corresponding adjustment, if any, to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines appropriate to account for that diluting or concentrative or other effect (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Equity) including, if “Equity Substitution” is specified as applying in the applicable Pricing Supplement, the substitution of the Underlying Equity (the “Substituted Equity”) the subject of the Potential Adjustment Event by an equity security selected by the Calculation Agent from the Reference Index (the “New Equity”) and (b) determine the effective date of that adjustment. If “Equity Substitution” is specified as applying in the applicable Pricing Supplement, and the Calculation Agent selects a New Equity in substitution for the Substituted Equity, the Issuer shall require the Calculation Agent to make such other adjustments to these Conditions and/or the applicable Pricing Supplement as it deems appropriate. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equities traded on that options exchange.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Holder shall be entitled to claim from the Issuer, the Guarantor, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences as a result of any such determination and/or adjustment upon individual Holders.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18, stating the adjustment to the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement and giving brief details of the Potential Adjustment Event.

- (ii) If (a) De-listing, Merger Event, Nationalisation and Insolvency is specified as applying in the applicable Pricing Supplement and/or (b) Tender Offer is specified as applying in the applicable Pricing Supplement and (in the case of (a)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (b)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Issuer may:
- (A) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the

Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, as the case may be, including, if “Equity Substitution” is specified as applying in the applicable Pricing Supplement, the substitution of the Substituted Equity the subject of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer by a New Equity and determine the effective date of that adjustment; or

- (B) give notice to the Holders in accordance with Condition 18 and redeem all (but not some only) of the Instruments, with each Calculation Amount being redeemed at the Early Termination Amount.

If the provisions of Condition 9.2(ii)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, as the case may be, made by an options exchange to options on the Underlying Equities traded on that options exchange.

If “Equity Substitution” is specified as applying in the applicable Pricing Supplement, and the Calculation Agent selects a New Equity in substitution for the Substituted Equity, the Issuer shall require the Calculation Agent to make such other adjustments to these Conditions and/or the applicable Pricing Supplement as it deems appropriate.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Holder shall be entitled to claim from the Issuer, the Guarantor, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences as a result of any such determination and/or adjustment upon individual Holders.

Upon the occurrence (as applicable) of a De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 stating the occurrence of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

- (iii) In respect of Exempt Instruments that are Equity Linked Instruments relating to Underlying Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines to be appropriate to preserve the economic terms of the Exempt Instruments. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this

Condition 9.2(iii) will affect the currency denomination of any payments in respect of the Instruments.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18, stating the adjustment to the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement.

- (iv) If Correction of Underlying Equity Prices is specified as applying in the applicable Pricing Supplement and the price of an Underlying Equity published on a Valuation Date or an Averaging Date used to determine the relevant Interest Amount and/or the Maturity Redemption Amount, as the case may be, is subsequently corrected and the correction (the “Corrected Underlying Equity Price”) is published on the relevant Exchange prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Underlying Equity Price shall be deemed to be the price for such Underlying Equity for such Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Underlying Equity Price in determining the relevant Interest Amount and/or the Maturity Redemption Amount, as the case may be.

Definitions applicable to Exempt Instruments that are Equity Linked Instruments

9.3 “Affiliate” means, in relation to any entity (the “First Entity”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity, directly or indirectly, under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity.

“Averaging Date” means each date specified as an Averaging Date in the applicable Pricing Supplement or (if any such date is not a Scheduled Trading Day) the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (i) if “Omission” is specified in the applicable Pricing Supplement as applying, then such date will be deemed not to be an Averaging Date provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (ii) if “Postponement” is specified in the applicable Pricing Supplement as applying, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (iii) if “Modified Postponement” is specified in the applicable Pricing Supplement as applying:
 - (a) where the Exempt Instruments relate to a single Underlying Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence

of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; and

- (b) where the Exempt Instruments relate to a Basket of Underlying Equities, the Averaging Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the “Scheduled Averaging Date”) and the Averaging Date for an Underlying Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying Equity. If the first succeeding Valid Date in relation to such Underlying Equity has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Underlying Equity, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (ii)(b) of the definition of “Valuation Date” below.

If the applicable Pricing Supplement specifies a number of Averaging Roll Days (other than eight), references in this definition of “Averaging Date” to “eighth Scheduled Trading Day” (and related references) shall be construed with reference to such number of Averaging Roll Days.

“De-listing” means, in respect of any Underlying Equity, the Exchange announces that pursuant to the rules of such Exchange, such Underlying Equity ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) or another exchange or quotation system located in another country which exchange or quotation system and country is deemed acceptable by the Calculation Agent.

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“Exchange” means, in respect of an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions,

notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“Insolvency” means that by reason of the voluntary or involuntary liquidation, special liquidation and/or bankruptcy (as the case may be and to the extent applicable), insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (i) all the Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them.

“Market Disruption Event” means, in respect of an Underlying Equity:

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) relating to the Underlying Equity on the relevant Exchange; or
 - (B) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or
 - (b) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying Equity on any relevant Related Exchange,
- (ii) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or an Averaging Date. Without limiting the obligation of the Issuer to give notice to the Holders as set forth in the preceding sentence, failure by the Issuer to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of any relevant Underlying Equities, any:

- (i) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all such Underlying Equities outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equities outstanding); or
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person); or
- (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equities immediately following such event,

in each case where the Merger Date is on or before a Valuation Date or an Averaging Date.

“Nationalisation” means that all the Underlying Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“Potential Adjustment Event” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Underlying Equities of (a) such Underlying Equities or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Equities or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;
- (v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

- (vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile take-overs that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.

“Reference Index” means, in relation to a Substituted Equity (as defined above), the index (i) of which the Substituted Equity is a component, or of which it has been a component at any time during the six months immediately preceding the relevant substitution, and (ii) over which futures contracts are actively traded, as determined by the Calculation Agent. If more than one index satisfies the above criteria or if no index satisfies the above criteria, the Calculation Agent shall determine the Reference Index for the Substituted Equity by reference to such criteria as it deems appropriate.

“Reference Price” means:

- (i) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a single Underlying Equity, an amount equal to the official closing price (or the price at the Valuation Time on a Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) of the Underlying Equity quoted on the relevant Exchange and, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, the price at the Valuation Time on a Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) can be determined at such time and, if that Valuation Date or that Averaging Date is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) for the Underlying Equity based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applying in the applicable Pricing Supplement, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a Basket of Underlying Equities, an amount equal to the sum of the values calculated for each Underlying Equity as the official closing price (or the price at the Valuation Time on a Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) of the Underlying Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent and, if so

specified in the applicable Pricing Supplement, without regard to any subsequently published correction (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, the price at the Valuation Time on a Valuation Date or an Averaging Date, if so specified in the applicable Pricing Supplement) can be determined at such time and, if that Valuation Date or that Averaging Date is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or, as the case may be, the fair market selling price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) for the Underlying Equity based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Multiplier. Each value determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applying in the applicable Pricing Supplement, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

“Related Exchange” means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Pricing Supplement, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Equity.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“Scheduled Valuation Date” means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

“Tender Offer” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Valuation Date” means the date or, in the case of Equity Linked Interest Instruments, each date specified as such in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (i) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a single Underlying Equity, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) the eighth Scheduled Trading Day shall be deemed to be that Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable, determine the Reference Price in accordance with its estimate of the value of the Underlying Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions; or
- (ii) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a Basket of Underlying Equities that Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and that Valuation Date for each Underlying Equity affected (each an “Affected Equity”) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall determine, where practicable, the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using its estimate of the value for the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

If the applicable Pricing Supplement specifies a number of Valuation Roll Days (other than eight), references in this definition of “Valuation Date” to “eight Scheduled Trading Days” and “eighth Scheduled Trading Day” (and related references) shall be construed with reference to such number of Valuation Roll Days.

“Valuation Time” means the Valuation Time specified in the applicable Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date in relation to each Underlying Equity to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

10. Additional Disruption Events

This Condition 10 is applicable only to Exempt Instruments.

Definitions

- 10.1 “Additional Disruption Event” means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified in the applicable Pricing Supplement.

“Change in Law” means that, on or after the Trade Date (as specified in the applicable Pricing Supplement) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (a) it has become illegal for the Issuer, the Guarantor and/or any of their Affiliates to hold, acquire or dispose of any relevant Underlying Equity (in the case of Equity Linked Instruments) or any relevant security/commodity comprised in an Index (in the case of Index Linked Instruments) or (b) the Issuer and/or the Guarantor will incur a materially increased cost in performing its obligations in relation to the Exempt Instruments (in the case of the Issuer) or the Deed of Guarantee (in the case of the Guarantor) (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, the Guarantor and/or any of their Affiliates).

“Hedging Disruption” means that the Issuer, the Guarantor and/or any of their Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Exempt Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Hedging Shares” means the number of Underlying Equities (in the case of Equity Linked Instruments) or securities/commodities comprised in an Index (in the case of Index Linked Instruments) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Exempt Instruments.

“Increased Cost of Hedging” means that the Issuer, the Guarantor and/or any of their Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Exempt Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor and/or any of their Affiliates shall not be deemed an Increased Cost of Hedging.

“Increased Cost of Stock Borrow” means that the Issuer, the Guarantor and/or any of their Affiliates would incur a rate to borrow any Underlying Equity (in the case of Equity Linked Instruments) or any security/commodity comprised in an Index (in the case of Index Linked Instruments) that is greater than the Initial Stock Loan Rate.

“Initial Stock Loan Rate” means, in respect of an Underlying Equity (in the case of Equity Linked Instruments) or a security/commodity comprised in an Index (in the case of Index Linked Instruments), the rate which the Issuer, the Guarantor and/or any of their Affiliates would have incurred to borrow such Underlying Equity or such security/commodity, as the case may be, as of the Trade Date, as determined by the Issuer.

“Insolvency Filing” means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law

affecting creditors' rights, or a petition is presented for its winding-up or liquidation or special liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

"Loss of Stock Borrow" means that the Issuer, the Guarantor and/or any of their Affiliates is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Underlying Equity (in the case of Equity Linked Instruments) or any securities/commodities comprised in an Index (in the case of Index Linked Instruments) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Stock Loan Rate" means, in respect of an Underlying Equity (in the case of Equity Linked Instruments) or a security/commodity comprised in an Index (in the case of Index Linked Instruments), the lowest rate which the Issuer, the Guarantor and/or any of their Affiliates, after using commercially reasonable efforts, would have incurred to borrow (and maintain a borrowing of) such Underlying Equity or such security/commodity, as the case may be, in an amount equal to the Hedging Shares, as of the Trade Date, as determined by the Issuer.

Occurrence of Additional Disruption Events

10.2 If an Additional Disruption Event occurs, the Issuer may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for the Additional Disruption Event including, if "Equity Substitution" is specified as applying in the applicable Pricing Supplement, the substitution of the Substituted Equity the subject of the Additional Disruption Event by a New Equity and determine the effective date of that adjustment; or
- (ii) give notice to the Holders in accordance with Condition 18 and redeem all (but not some only) of the Exempt Instruments, each Calculation Amount being redeemed at the Early Termination Amount.

If the provisions of this Condition 10.2 apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Additional Disruption Event, made by an options exchange to options on the Underlying Equities traded on that options exchange.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Holder shall be entitled to claim from the Issuer, the Guarantor, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences as a result of any such determination and/or adjustment upon individual Holders.

Upon the occurrence (if applicable) of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

11. Events of Default

11.1 *Unsubordinated Instruments:*

This Condition 11.1 is applicable only in relation to Unsubordinated Instruments.

The following events or circumstances as, in the case of Exempt Instruments only, modified by, and/or such other events as may be specified in, the applicable Pricing Supplement (each an “Event of Default”) shall be acceleration events in relation to the Instruments of this Series, namely:

- (i) the Issuer fails to pay any amount of principal or interest in respect of the Instruments on the due date for payment thereof and such failure continues for a period of 14 days; or
- (ii) the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Instruments or Coupons and such default remains unremedied for 30 days after written notice thereof has been delivered by a Holder of any such Instrument to the Issuer or the Guarantor, as appropriate, requiring the same to be remedied; or
- (iii) the repayment of any indebtedness owing by the Issuer or the Guarantor or any Material Subsidiary is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer or the Guarantor or any Material Subsidiary defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any indebtedness or in the honouring of any guarantee or indemnity in respect of any indebtedness provided that no such event shall constitute an Event of Default unless the indebtedness whether alone or when aggregated with other indebtedness relating to all (if any) other such events which shall have occurred and be continuing shall exceed €15,000,000 (or its equivalent in any other currency or currencies) or, if higher, a sum equal to 0.025 per cent. of the gross consolidated assets of the Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of the Bank and its Subsidiaries; or
- (iv) any order shall be made by any competent court or resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any Material Subsidiary (other than for the purpose of amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Holders of the Instruments or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in the Bank or another of its Subsidiaries); or
- (v) the Issuer or the Guarantor or any Material Subsidiary shall cease to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Holders of the Instruments or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in the Bank or another of its Subsidiaries); or

- (vi) the Issuer or the Guarantor or any Material Subsidiary shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by a court of competent jurisdiction or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or
- (vii) a receiver, trustee or other similar official shall be appointed in relation to the Issuer or the Guarantor or any Material Subsidiary or in relation to the whole or over half of the assets of the Issuer or the Guarantor or any Material Subsidiary, or an interim supervisor of the Bank is appointed by the Bank of Greece or an encumbrancer shall take possession of the whole or over half of the assets of the Issuer or the Guarantor or any Material Subsidiary, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the assets of the Issuer or the Guarantor and in any of the foregoing cases it or he shall not be discharged within 60 days; or
- (viii) the Issuer or the Guarantor or any Material Subsidiary sells, transfers, lends or otherwise disposes of the whole or a major part of its undertaking or assets (including shareholdings in its Subsidiaries or associated companies) and such disposal is substantial in relation to the assets of the Issuer or the Bank and its Subsidiaries as a whole, other than selling, transferring, lending or otherwise disposing on an arm's length basis; or
- (ix) with respect to any Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the Deed of Guarantee is not in full force and effect.

For the purposes of this Condition 11.1, "Material Subsidiary" means at any time any Subsidiary of the Bank:

- (i) whose profits or (in the case of a Subsidiary which has subsidiaries) consolidated profits, before taxation and extraordinary items or before taxation and after extraordinary items as shown by its latest audited profit and loss account are at least 15 per cent. of the consolidated profits before taxation and extraordinary items of the Bank and its Subsidiaries as shown by the latest published audited consolidated profit and loss account of the Bank and its Subsidiaries; or
- (ii) whose gross assets or (in the case of a Subsidiary which has subsidiaries) gross consolidated assets as shown by its latest audited balance sheet are at least 15 per cent. of the gross consolidated assets of the Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of the Bank and its Subsidiaries; or
- (iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary provided that, in such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Material Subsidiary.

"Subsidiary" means, in respect of the Bank at any particular time, any other entity:

- (a) whose affairs and policies the Bank controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such entity or otherwise; or

- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles or standards, consolidated with those of the Bank.

11.2 If any Event of Default shall occur and be continuing in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to the Issuer, at the specified office of the Issue and Paying Agent, declare that such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the "Early Termination Amount") (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.13) or, in the case of Exempt Instruments only, such other redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Pricing Supplement), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Instruments of the relevant Series shall have been cured.

11.3 *Subordinated Instruments:*

This Condition 11.3 is applicable only in relation to Subordinated Instruments. The events specified below are both "Subordinated Default Events".

- (i) If default is made in the payment of any amount due in respect of the Instruments or any of them on the due date and such default continues for a period of 7 days, any Holder of an Instrument may institute proceedings for the winding-up of the Issuer, except where the Issuer is Eurobank.
- (ii) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by Extraordinary Resolution of the Holders of the Instruments, an order is made or an effective resolution is passed for the winding-up of the Issuer, any Holder of an Instrument may, by written notice to the Issue and Paying Agent, declare such Instrument to be due and payable whereupon the same shall become immediately due and payable at its Early Termination Amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with, the applicable Final Terms, together (if appropriate) with accrued interest to (but excluding) the date of redemption unless such Subordinated Default Event shall have been remedied prior to receipt of such notice by the Issue and Paying Agent.

12. **Taxation**

12.1 All amounts payable by the Issuer or, as the case may be, the Guarantor (whether in respect of principal, interest or otherwise) in respect of the Instruments and the Coupons will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of, the United Kingdom (where ERB Hellas PLC is the Issuer), the Cayman Islands (where ERB Hellas (Cayman Islands) Limited is the Issuer) or (where the Bank is the Issuer or in the case of the Guarantor) the Hellenic Republic or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction;

except that no such additional amounts shall be payable in relation to any payment in respect of any Instrument or Coupon:

- (i) the holder of which is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the United Kingdom, the Cayman Islands or, as the case may be, the Hellenic Republic other than the mere holding of such Instrument or Coupon; or
- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Instrument or Coupon to another Paying Agent in a Member State of the European Union; or
- (iv) presented for payment by or on behalf of, a person who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon who would not be liable or subject to such withholding or deduction if he were to comply with any statutory requirement or to make a declaration of non-residence or other similar claim for exemption but fails to do so; or
- (v) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days; or
- (vi) presented for payment in the Hellenic Republic, the Cayman Islands or the United Kingdom.

12.2 For the purposes of these Conditions, the “Relevant Date” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issue and Paying Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 18.

12.3 If the Issuer or the Guarantor becomes subject generally at any time to any taxing jurisdiction other than or in addition to the United Kingdom (where ERB Hellas PLC is the Issuer) or the Cayman Islands (where ERB Hellas (Cayman Islands) Limited is the Issuer) or the Hellenic Republic (where the Bank is the Issuer or in the case of the Guarantor) references in Condition 7.2 and Condition 12.1 to those jurisdictions shall be construed as references to the United Kingdom, the Cayman Islands and the Hellenic Republic and/or to such other jurisdiction(s).

12.4 Any reference in these Conditions to “principal” and/or “interest” in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 12. Unless the context otherwise requires, any reference in these Conditions to “principal” shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Conditions and “interest” shall include all amounts payable pursuant to

Condition 6 and any other amounts in the nature of interest payable pursuant to these Conditions.

13. Payments

- 13A.1 Payment of amounts (other than interest) due in respect of Instruments will be made against presentation and (save in the case of partial payment or, in the case of Exempt Instruments only, payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Instruments at the specified office of any of the Paying Agents.

The following paragraphs of Condition 13A.1 are applicable only to Exempt Instruments.

In the case of Instalment Exempt Instruments only, payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Exempt Instrument which is a Definitive Instrument with Receipts will be made against presentation of the Instrument together with (where applicable) the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Exempt Instrument to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of an Exempt Instrument without the relative Receipt or the presentation of a Receipt without the Exempt Instrument to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

- 13A.2 *Payment of amounts in respect of interest on Instruments will be made:*

- (i) in the case of Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Instruments at the specified office of any of the Paying Agents outside (unless Condition 13A.3 applies) the United States; and
- (ii) in the case of Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 13A.3 applies) the United States.

- 13A.3 Payments of amounts due in respect of interest on the Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 13A.6 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of principal and interest on the Instruments in the manner provided below when due, (b) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (c) such payment or exchange is permitted by applicable United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer or the Guarantor. If paragraphs (a), (b) and (c) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

- 13A.4 If the due date for payment of any amount due in respect of any Instrument is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 13B.2), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day,

(or as otherwise specified in the applicable Final Terms) and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 6.6 or, if appropriate, Condition 6.10.

13A.5 Each Instrument initially delivered with Coupons, Talons or, in the case of Exempt Instruments only, Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Coupons, Talons and, in the case of Exempt Instruments only, Receipts relating thereto, failing which:

- (i) if the applicable Final Terms specify that this paragraph (i) of Condition 13A.5 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Instruments which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;
- (ii) if the applicable Final Terms specify that this paragraph (ii) of Condition 13A.5 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Instruments which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Exempt Instruments initially delivered with Receipts attached thereto, all Receipts relating to such Exempt Instruments in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 13A.5 notwithstanding, if any Instruments should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be

greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to an Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

13A.6 In relation to Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 13A.3 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 14 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

13B *Payments – General Provisions*

13B.1 Payments of amounts due (whether principal, interest or otherwise) in respect of Instruments will be made in the currency in which such amount is due either (a) by cheque or (b) by transfer to an account denominated in the relevant currency specified by the payee.

13B.2 For the purposes of these Conditions:

- (i) “Relevant Financial Centre Day” means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other Relevant Financial Centre specified in the applicable Final Terms or in the case of payment in euro, a day on which the TARGET2 System is operating; and
- (ii) “Local Banking Day” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon.

13B.3 No commissions or expenses shall be charged to the holders of Instruments or Coupons in respect of such payments.

13C *Payments Subject to Fiscal and Other Laws*

Payments will, without prejudice to the provisions of Condition 12, be subject in all cases to (i) any applicable fiscal or other laws and regulations in any jurisdiction, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Section 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 12) law implementing an intergovernmental approach thereto.

14. **Prescription**

14.1 Claims against the Issuer and the Guarantor for payment of principal and interest in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date (as defined in Condition 12.2) for payment thereof.

14.2 In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 13A.5 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 14 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

15. The Paying Agents and the Calculation Agent and Determinations

15.1 The initial Paying Agents and their respective initial specified offices are specified below. The Calculation Agent in respect of any Instruments shall be specified in the applicable Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issue and Paying Agent) or the Calculation Agent and to appoint additional or other Paying Agents or another Calculation Agent Provided that it will at all times maintain (i) an Issue and Paying Agent, (ii) a Paying Agent (which may be the Issue and Paying Agent) with a specified office in a continental European city other than the jurisdiction in which the Issuer or the Guarantor is incorporated, (iii) so long as the Instruments are listed on the Luxembourg Stock Exchange and/or any other stock exchange and/or admitted to listing by any other relevant authority, a Paying Agent (which may be the Issue and Paying Agent) with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, (iv) in the circumstances described in Condition 13A.3, a Paying Agent with a specified office in New York City, (v) to the extent reasonably practicable, a Paying Agent with its specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying therewith, or introduced in order to conform to, such Directive and (vi) a Calculation Agent where required by the Conditions applicable to any Instruments (in the case of (i), (ii), (iii), (iv) and (v) with a specified office located in such place (if any) as may be required by the Conditions). Each of the Paying Agents and the Calculation Agent reserves the right at any time to change its specified office to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agents or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 18.

15.2 The Paying Agents and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument, Coupon or, in the case of Exempt Instruments only, Receipt and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

15.3 All determinations and calculations of the Calculation Agent made under the Instruments shall be made in its sole and absolute discretion and shall be binding on the Holders of the Instruments in the absence of manifest error. The Holders of the Instruments shall (in the absence as aforesaid) not be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by it of its obligations, duties and discretions pursuant to the Instruments. If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to make any calculation required as set out herein or to fulfil any other requirement, relating to it in respect of the Instruments, the Issuer will appoint the London office of a financial institution to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

16. Replacement of Instruments

If any Instrument, Coupon or, in the case of Exempt Instruments only, Receipt is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the applicable Final Terms (“Replacement Agent”), subject to all applicable laws and the requirements of any stock exchange or other relevant authority on which the Instruments are listed (if any), upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Instruments, Coupons and, in the case of Exempt Instruments only, Receipts must be surrendered before replacements will be delivered therefor.

17. Meetings of Holders and Modification

Without prejudice to the provisions for meetings of Holders of Bank Instruments referred to in Condition 22 below, the Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Conditions and the Deed of Covenant insofar as the same may apply to such Instruments. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

The Issuer and the Guarantor may, with the consent of the Issue and Paying Agent, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Conditions, the Deed of Covenant and the Deed of Guarantee insofar as they may apply to such Instruments to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions, the Deed of Covenant or the Deed of Guarantee except with the sanction of an Extraordinary Resolution.

18. Notices

Notices to Holders of Instruments will, save where another means of effective communication has been specified in the applicable Final Terms, be deemed to be validly given if (i) published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe and (ii) in the case of any Instruments which are listed on the Luxembourg Stock Exchange (so long as such Instruments are listed on the Luxembourg Stock Exchange), published in accordance with the rules of that exchange, which is expected to be publication either on the Luxembourg Stock Exchange’s website at www.bourse.lu or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Instruments are listed. Any notice so given will be deemed to have been validly given on the first date on which publication shall have been made in accordance with the above. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Instruments in accordance with this Condition.

Notices to Holders of Bank Instruments shall be given to the Bank Holders’ Agent. Any such notice shall be deemed to have been given to the Holders of Bank Instruments on the seventh calendar day after the day on which the said notice was given to the Bank Holders’ Agent

unless the Bank Instruments have been placed and sold by way of a “public offer” in Greece for the purposes of article 2 paragraph 1(d) of Greek law 3401/2005 implementing into Greek law Directive 2003/71/EC, in which case any such notice will also be published in accordance with the provisions of article 5 of Greek law 3156/2003 should such law 3156/2003 apply to Bank Instruments.

19. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Instruments or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them) so as to form a single series with the Instruments of any particular Series.

20. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

21. Substitution of the Issuer

21.1 The Issuer may, without the consent of any Holder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Instruments, any Coupons, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders’ Agency Agreement (the “Substituted Debtor”) upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 18, *provided that*:

- (i) the Issuer is not in default in respect of any amount payable under the Instruments;
- (ii) the Issuer and the Substituted Debtor have entered into such documents (the “Documents”) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder to be bound by these Conditions and the provisions of the Issue and Paying Agency Agreement as the debtor in respect of the Instruments in place of the Issuer (or of any previous substitute under this Condition 21);
- (iii) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Instruments then represented by a global Instrument on terms no less favourable than the Deed of Covenant then in force in respect of the Instruments;
- (iv) if the Substituted Debtor is resident for tax purposes in a territory (the “New Residence”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “Former Residence”), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Holder has the benefit of an undertaking in terms corresponding to the provisions of Condition 12, with the substitution of references to the Former Residence with references to the New Residence;

- (v) if the Issuer is ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited and the Substituted Debtor is not the Guarantor, the Deed of Guarantee extends to the obligations of the Substituted Debtor under or in respect of the Instruments, any Coupons, the Deed of Covenant and the Issue and Paying Agency Agreement and continues to be in full force and effect;
- (vi) if the Issuer is the Bank, unless the Successor in Business of the Bank is the Substituted Debtor, the Bank shall provide an unconditional and irrevocable guarantee in relation to the obligations of the Substituted Debtor under or in respect of the Instruments, any Coupons, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement;
- (vii) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents;
- (viii) each stock exchange or other relevant authority on which the Instruments are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Instruments will continue to be listed on such stock exchange or other relevant authority; and
- (ix) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Instruments and any Coupons.

For the purposes of this Condition, "Successor in Business" means, in relation to the Bank, any company which effectively assumes all of the obligations of the Bank under, or in respect of, the Instruments and which:

- (A) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by the Bank immediately prior thereto; and
- (B) carries on, as successor to the Bank, the whole or substantially the whole of the business carried on by the Bank immediately prior thereto.

21.2 Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Instruments, any Coupons associated therewith, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Instruments, any Coupons, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement.

21.3 After a substitution pursuant to Condition 21.1 the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified in Condition 21.1 and 21.2 shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

21.4 After a substitution pursuant to Conditions 21.1 or 21.3 any Substituted Debtor may, without the consent of any Holder, reverse the substitution, *mutatis mutandis*.

21.5 The Documents shall be delivered to, and kept by, the Issue and Paying Agent. Copies of the Documents will be available free of charge during normal business hours at the specified office of each of the Paying Agents.

22. Bank Holders' Agent

Prior to the issue of any Bank Instruments, if so required by Greek law 3156/2003 (to the extent applicable), the Bank shall appoint a Bank Holders' Agent by way of a written contract (the "Bank Holders' Agency Agreement") and in accordance with provisions of Greek law 3156/2003.

The Bank Holders' Agent shall be either a Credit Institution or an Investment Firm under Greek law 3606/2007, implementing into Greek law Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments ("MiFID"), which shall be authorised to render in Greece the regulated investment service of underwriting in respect of issues of any of the instruments listed in Section C of the Annex I of the MiFID and/or placing of such issues.

The Bank Holders' Agent shall *inter alia*:

- (i) represent the interests of the Holders of Bank Instruments *vis-à-vis* the Bank and any third parties;
- (ii) co-operate with Euroclear or Clearstream, Luxembourg, for the registration of the interests of the Holders of Bank Instruments in the accounts of Euroclear and/or Clearstream, Luxembourg;
- (iii) represent, in accordance with the provisions of Greek law 3156/2003, the Holders of Bank Instruments before the competent courts, in relation to matters concerning Bank Instruments; and
- (iv) generally perform any other duties and obligations, as set in Greek law 3156/2003 and these Conditions.

The Bank Holders' Agency Agreement shall include, *inter alia*, provisions for the meetings of the Holders of Bank Instruments in accordance with Greek law 3156/2003.

The meetings of the Holders of Bank Instruments shall be entitled to vary or terminate the appointment of the Bank Holders' Agent in accordance with the provisions of Greek law 3156/2003 and these Conditions.

The particular duties, rights and liabilities of the Bank Holders' Agent and any amendment to these Conditions relating to (i) the appointment of the Bank Holders' Agent; and (ii) the entering into the Bank Holders' Agency Agreement, shall be specified in the applicable Final Terms.

23. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Instrument under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act. This Condition shall not apply to (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22.

24. Law and Jurisdiction

Governing Law

- 24.1 The Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee, and any non-contractual obligations arising out of or in connection with the Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee, shall be governed by, and construed in accordance with, English law, save for (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22, which shall be governed by, and construed in accordance with, the laws of the Hellenic Republic and Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013.

Submission to Jurisdiction

- 24.2 Each of the Issuer and the Guarantor irrevocably agrees, for the benefit of the Holders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Instruments and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Instruments and/or the Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Holders may take any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Instruments and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Instruments and the Coupons) against the Issuer or the Guarantor, as the case may be, in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

Appointment of Process Agent

- 24.3 Each of ERB Hellas (Cayman Islands) Limited and the Guarantor appoints ERB Hellas PLC at 1st Floor, 25 Berkeley Square, London W1J 6HN as its agent for service of process, and undertakes that, in the event of ERB Hellas PLC ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

Other documents and the Guarantor

- 24.4 Each of the Issuer and, where applicable, the Guarantor has in the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

PROVISIONS RELATING TO THE INSTRUMENTS WHILST IN GLOBAL FORM

Instruments will be issued in bearer form or, in the case of Exempt Instruments and if so specified in the applicable Pricing Supplement, in registered form. In respect of each Tranche of Instruments to be issued in bearer form, the relevant Issuer will deliver a Temporary Global Instrument or (if so specified in the applicable Final Terms) a Permanent Global Instrument. Such global Instrument, if the global Instruments are intended to be issued in NGI form, as specified in the applicable Final Terms, will be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg and, if the global Instruments are not intended to be issued in NGI form, will be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or, if so specified in the applicable Final Terms, for Definitive Instruments. Each Permanent Global Instrument will be exchangeable for Definitive Instruments in accordance with its terms.

In respect of each Tranche of Exempt Instruments to be issued in registered form, the provisions applicable thereto will be specified in the applicable Pricing Supplement. Any such Exempt Instruments in registered form will be held outside Euroclear and Clearstream, Luxembourg.

(A) Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of an Instrument represented by a Global Instrument (which expression includes a Temporary Global Instrument and a Permanent Global Instrument) must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for such person's share of each payment made by the relevant Issuer to the bearer of such Global Instrument and in relation to all other rights arising under the Global Instruments, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be). Such persons shall have no claim directly against such relevant Issuer in respect of payments due on the Instruments for so long as the Instruments are represented by such Global Instrument and such obligations of such relevant Issuer will be discharged by payment to the bearer of such Global Instrument in respect of each amount so paid. References in these provisions relating to the Instruments in global form to "holder" or "accountholder" are to those persons shown in the records of the relevant clearing system as a holder of an Instrument.

(B) Form and Exchange – Global Instruments

- (1) *TEFRA D or TEFRA C*: The Final Terms shall specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "TEFRA D Rules") or U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "TEFRA C Rules") shall apply or that TEFRA is not applicable. Each Tranche of Instruments is represented upon issue by a Temporary Global Instrument, unless the Final Terms specify otherwise and/or the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Instruments specify that the TEFRA C Rules apply or that TEFRA is not applicable, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a Permanent Global Instrument.

Interests in a Temporary Global Instrument may be exchanged for:

- (i) interests in a Permanent Global Instrument; or
- (ii) if so specified in the Final Terms, Definitive Instruments.

Exchanges of interests in a Temporary Global Instrument for Definitive Instruments or, as the case may be, a Permanent Global Instrument will be made only on or after the Exchange Date (as specified in the Final Terms) and (where TEFRA D Rules are applicable) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received.

- (2) *Limitation on entitlement under a Temporary Global Instrument after Exchange Date:* Holders of interests in any Temporary Global Instrument shall not (unless, upon due presentation of such Temporary Global Instrument for exchange (in whole but not in part only) for a Permanent Global Instrument or for delivery of Definitive Instruments, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Instruments represented by such Temporary Global Instrument which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.
- (3) *Certification of non-U.S. beneficial ownership:* Unless the Final Terms specify that the TEFRA C Rules are applicable or that TEFRA is not applicable to the Instruments and subject to paragraph (2) above, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear or Clearstream, Luxembourg or any other relevant clearing system which may be specified in the Final Terms. Payments of amounts due in respect of a Permanent Global Instrument will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.
- (4) *Exchange for Definitive Instruments:* Interests in a Permanent Global Instrument will be exchanged (subject to the period allowed for delivery as set out in (i) below), in whole but not in part only and at the request of the holder of such Global Instrument (in the case of (a), (b) or (c)) or the relevant Issuer (in the case of (d)), for Definitive Instruments, unless otherwise specified in the Final Terms, (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 11.1 or 11.3, as appropriate, occurs or (c) at any time on the request of the bearer, if so specified in the Final Terms or (d) at the option of the relevant Issuer at any time. Whenever a Permanent Global Instrument is to be exchanged for Definitive Instruments, the relevant Issuer shall procure the prompt delivery of such Definitive Instruments, duly authenticated and where and to the extent applicable, with Receipts, Coupons and Talons attached (each as defined in Condition 1.2 and Condition 1.3), in an aggregate principal amount equal to the principal amount of such Permanent Global

Instrument to the holder of the Permanent Global Instrument against its surrender to, or to the order of, the relevant Issuer and Paying Agent and, in the case of Bank Instruments, the Bank Holders' Agent, within 30 days of the holder or such relevant Issuer, as appropriate, requesting such exchange.

Furthermore, if:

- (i) Definitive Instruments have not been delivered in accordance with the foregoing by 5.00 p.m. (London time) on the thirtieth day after the holder or the relevant Issuer, as appropriate, has requested exchange; or
- (ii) the Permanent Global Instrument (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Instrument has occurred and, in either case, payment in full of the amount of the Redemption Amount (as defined in Condition 7.12) together with all interest (if any) accrued thereon has not been made to the holder in accordance with the Conditions on the due date for payment,

then such Permanent Global Instrument (including the obligation to deliver Definitive Instruments) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (London time) on such due date (in the case of (ii) above) and the holder of the Permanent Global Instrument will have no further rights thereunder (but without prejudice to the rights which such Holder or others may have under, in the case of Instruments issued by ERB Hellas PLC, the Deed of Covenant (the "ERB Hellas PLC Deed of Covenant") executed by ERB Hellas PLC dated 27 May 2014 or, in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited, the Deed of Covenant (the "ERB Hellas (Cayman Islands) Limited Deed of Covenant") executed by ERB Hellas (Cayman Islands) Limited dated 27 May 2014 or, in the case of Instruments issued by the Bank, the Deed of Covenant (the "Bank Deed of Covenant") executed by the Bank dated 27 May 2014, as the case may be). Under the ERB Hellas PLC Deed of Covenant, the ERB Hellas (Cayman Islands) Limited Deed of Covenant or the Bank Deed of Covenant, as the case may be, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interests in the Instruments will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Instrument became void, they had been the holders of Definitive Instruments in an aggregate principal amount equal to the principal amount of Instruments they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg or other relevant clearing system (as the case may be).

(C) Amendment to Conditions

The Temporary Global Instruments and Permanent Global Instruments contain provisions that apply to the Instruments that they represent, some of which modify the effect of the Terms and Conditions of the Instruments set out in this Prospectus. The following is a summary of certain of those provisions:

- (1) *Meetings*: The holder of a Global Instrument shall (unless such Global Instrument represents only one Instrument) be treated as being two persons for the purposes of any quorum requirements of a meeting of holders and, at any such meeting, the holder of a Global Instrument shall be treated as having one vote in respect of each minimum integral amount of the Currency of Denomination of the Instruments specified in the applicable Final Terms.

- (2) *Cancellation:* Cancellation of any Instrument represented by a Global Instrument that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Instrument.
- (3) *Purchases:* Instruments represented by a Global Instrument may only be purchased by the relevant Issuer or, as the case may be, the Guarantor or any of the Bank's subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.
- (4) *Issuer's Options:* Any option of the relevant Issuer provided for in the Conditions of the Instruments while such Instruments are represented by a Global Instrument shall be exercised by such relevant Issuer giving notice to the holders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Instruments drawn in the case of a partial exercise of an option and accordingly no drawing of Instruments shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Instruments of any Series, the rights of accountholders with a clearing system in respect of the Instruments will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be). In the case of a partial redemption of Instruments, the Instruments to be redeemed will be selected in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be), to be reflected in the records of Euroclear, Clearstream, Luxembourg or such other clearing system as either a pool factor or a reduction in nominal amount, at their discretion.
- (5) *Holders' Options:* Any option of the holders provided for in the Conditions of any Instruments while such Instruments are represented by a Global Instrument may be exercised by the holder of such Global Instrument, giving notice to the Issue and Paying Agent within the time limits relating to the deposit of Instruments with a Paying Agent substantially in the form of the notice available from any Paying Agent except that the notice shall not be required to contain the serial numbers of the Instruments in respect of which the option has been exercised, and stating the principal amount of Instruments in respect of which the option is exercised and at the same time presenting for notation the Global Instrument to the Issue and Paying Agent, or to a Paying Agent acting on behalf of the Issue and Paying Agent.
- (6) *Notices:* So long as any Instruments are represented by a Global Instrument and such Global Instrument is held on behalf of a clearing system, notices to the holders of Instruments of that Series may be given by delivery of the relevant notice to the clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Instrument except that, so long as the Instruments are listed on the Luxembourg Stock Exchange, notice shall also be given in accordance with the rules of that exchange, which is expected to be publication either on the Luxembourg Stock Exchange's website at www.bourse.lu or in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort).

(D) Partly Paid Instruments

While any Partly Paid Instalments due from the holder of Partly Paid Instruments are overdue, no interest in a Temporary Global Instrument representing such Exempt Instruments may be exchanged for an interest in a Permanent Global Instrument or for Definitive Instruments (as the case may be) and no interest in a Permanent Global Instrument may be exchanged for

Definitive Instruments. If any holder fails to pay any instalment due on any Partly Paid Instruments within the time specified, the relevant Issuer may forfeit such Instruments and shall have no further obligation to such holder in respect of them.

FORM OF FINAL TERMS

Pro Forma Final Terms for an issue of PD Instruments with a minimum denomination of at least €100,000 (or its equivalent).

Date: []

Series No.: []

Tranche No.: []

**[ERB Hellas PLC/
ERB Hellas (Cayman Islands) Limited/
Eurobank Ergasias S.A.]**

€25,000,000,000 Programme for the Issuance of Debt Instruments

**[guaranteed
by Eurobank Ergasias S.A.]**

**Issue of
[Aggregate Principal Amount of Tranche]
[Title of Instruments]**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) of the Instruments set forth in the Prospectus dated 27 May 2014 [and the supplement[s] to the Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “Prospectus”). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor] and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplement[s] to the Prospectus] [is] [are] available for viewing on the Luxembourg Stock Exchange’s website at www.bourse.lu.

(Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms)

1. Guarantor: [Eurobank Ergasias S.A./Not Applicable] *(Insert ‘Not Applicable’ if the Instruments are issued by Eurobank Ergasias S.A.)*

2. Status:

(a) [of the Instruments:] [Unsubordinated (Condition 3A) / Subordinated (Condition 3B)]

- (b) [of the Guarantee: [Unsubordinated (Condition 4A) / Subordinated (Condition 4B)]
3. Currency:
- of Denomination: [Specify]
 - of Payment: [Specify]
- (Condition 1.5)
4. Aggregate Principal Amount of Tranche: [Specify]
5. If fungible into an existing Series: [Provide issue amount/ISIN/maturity date/issue date of earlier Tranches]
6. Issue Date: [Specify]
7. Issue Price: [] per cent.
8. Form of Instruments:
- (a) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: [Specify] (If nothing is specified and these Final Terms do not specify that the TEFRA C Rules apply or that TEFRA does not apply, Instruments will be represented initially by a Temporary Global Instrument)
 - (b) Temporary Global Instrument exchangeable for [Permanent Global Instrument/Definitive Instruments] [Specify Exchange Date]¹
 - (c) Permanent Global Instrument exchangeable: For Definitive Instruments [only] in the circumstances specified in “Provisions Relating to the Instruments Whilst in Global Form” paragraph (B)(4) [(a), (b) and (d) only (clearing system failure, Event of Default/Subordinated Default Event and at the option of the Issuer)]/[(c) (and (d)) (at any time at the option of the bearer or the Issuer)]¹
 - (d) Coupons to be attached to Definitive Instruments: [Yes/No]
 - (e) Talons for future Coupons to be added to Definitive Instruments: [Yes/No] (Condition 1.2)

¹ N.B. Paragraphs (B)(4)(c) (at any time at the request of the bearer) and (d) (at any time at the option of the relevant Issuer) should not be expressed to be applicable if the Denomination of the Instruments in paragraph 11(a) includes language substantially to the following effect: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Instruments in definitive form will be issued with a denomination above €199,000”. Furthermore, such Denomination construction is not permitted in relation to any issue of Instruments which is to be represented on issue by a Temporary Global Instrument exchangeable for Definitive Instruments.

- (f) Definitive Instruments to be in ICMA or successor's format: [Yes/No] *(If nothing is specified Definitive Instruments will be security printed and in ICMA or successor's format)*
- (g) New Global Instrument: [Yes/No]
9. (a) Denomination(s): [Specify]
(Condition 1.4)
- (N.B. Instruments must have a minimum denomination of EUR100,000 (or equivalent))*
- [Where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*
- “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Instruments in definitive form will be issued with a denomination above [€199,000]”*
- (b) Calculation Amount: [Specify]
- (If only one denomination, insert the denomination. If more than one denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more denominations)*
10. Date Board approval for issuance of Instruments obtained: []
- (N.B. Only relevant where Board authorisation is required for the particular Tranche of Instruments)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11. Interest: [Interest bearing/Non-interest bearing]
(Condition 6)
12. Interest Rate: [[] per cent. Fixed Rate
(Condition 6.2) [[specify Reference Rate] +/- [] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
13. Relevant Screen Page: [Reuters Screen/Other] page []
(Condition 6.3)
14. Relevant Margin: [Plus/Minus] [] per cent. per annum
(Condition 6.3)
15. ISDA Rate: Issuer is [Fixed Rate/Fixed Amount/Fixed
(Condition 6.4) Price/Floating Rate/Floating Amount/Floating Price] Payer

16. Minimum Interest Rate: [] per cent. per annum
(Condition 6.5)
17. Maximum Interest Rate: [] per cent. per annum
(Condition 6.5)
18. Interest Payment Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Period: [*Specify dates (or if the Applicable Business Day Convention is the FRN Convention) number of months*]
19. Interest Period End Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Accrual Period: [*Specify*] (*If nothing is specified Interest Period End Dates will correspond with Interest Payment Dates*)
20. Applicable Business Day Convention: [*Specify, unless no adjustment is required in which case specify "No Adjustment"*] (*Note that these conventions are only to apply for the purposes of accrual of interest. Thus, a fixed rate Instrument should normally specify "No Adjustment", but for purposes of payment, a modification may be required to match a swap (see paragraph 33 – "Payments" below). Care should be taken to match the maturity date (as well as other key dates) of the Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Instruments to disapply the Applicable Business Day Convention*)
- for Interest Payment Dates: []
 - for Interest Period End Dates: []
 - for Maturity Date: []
 - any other date: []
21. Day Count Fraction: [*Specify*]
(Condition 6.9)
22. Interest Commencement Date: [*Specify, if different from the Issue Date*]
(Condition 6.9)
23. Interest Determination Date: [*Specify number of Banking Days in which city(ies), if different from Condition 6.9*]
(Condition 6.9)
24. Default Interest Rate: [*Specify if different from the Interest Rate*]
(Condition 6.6)
25. Calculation Agent: [*Specify name and specified office*]
(Condition 6.7)

26. Reference Banks: [Specify]
(Condition 6.9)
27. If non-interest bearing:
- Amortisation Yield: [Specify]
 - Rate of interest on overdue amounts: [Specify, if not the Amortisation Yield]
 - Day Count Fraction: [Specify for the purposes of Condition 6.10 and Condition 7.13]

PROVISIONS RELATING TO REDEMPTION

28. Maturity Date: [Specify date (or Interest Payment Date occurring
(Condition 7.1) in month and year if FRN Convention applies)]
- [(In the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, if the issue proceeds are accepted in the United Kingdom (in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited only) and the Maturity Date is less than one year from the Issue Date, the Instruments must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” (or another applicable exemption from section 19 of the FSMA must be available))]*
29. Early Redemption for Taxation Reasons: (Condition 7.2)
- Early Redemption Amount (Tax): [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
30. Optional Early Redemption (Call): [Yes/No]
(Condition 7.3)
- (If yes specify any specific conditions required to permit such Optional Early Redemption)*
- (a) Early Redemption Amount (Call): [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
 - (b) Series redeemable in part: [Specify, otherwise redemption will only be permitted of entire Series]
 - (c) Call Option Date(s)/Call Option Period: [Specify]
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries,*

for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

(d) Maximum Redemption Amount:
(Condition 7.5) [None/Specify]

(e) Minimum Redemption Amount:
(Condition 7.5) [None/Specify]

31. Optional Early Redemption (Put):
(Condition 7.6) [Yes/No]

(Only available for Unsubordinated Instruments)

(a) Early Redemption Amount (Put): [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]

(b) Put Date(s)/Put Period: [Specify]

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

32. [Events of Default (Condition 11.1) /
Subordinated Default Events
(Condition 11.3) / Illegality
(Condition 7.9)]:

(a) Early Termination Amount: [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]

[In respect of each Calculation Amount, an amount in *[insert Currency]* determined by the Calculation Agent which represents the fair market value of such Calculation Amount [(which for the avoidance of doubt shall be deemed to include amounts in respect of interest (if any))] immediately prior to the date on which the Instruments are to be redeemed less (except in the case of early redemption pursuant to Condition 11) the cost to the Issuer[, the Guarantor] and/or any of their Affiliates of unwinding any related hedging arrangements. For the purposes of determining the fair market

value of the Instruments for the purposes of Condition 11, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligation in respect of the Instruments. If the Instruments have become redeemable pursuant to Condition 7.9 (Illegality), then Condition 7.9 shall be amended by the deletion of the words “together with all interest (if any) accrued thereon”. If the Instruments have become redeemable pursuant to Condition 11 (Events of Default), then Condition 11.2 shall be amended by the deletion of the words “together with all interest (if any) accrued thereon”]

33. Payments:
(Condition 13)

- (a) Unmatured Coupons missing upon Early Redemption: [Specify whether paragraph (i) or paragraph (ii) of Condition 13A.5 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments]
- (b) Specify any modification to the adjustment provisions for payment dates: (Condition 13A.4) [Specify whether e.g. the Modified Following Business Day Convention should apply for purposes of payment]

34. Replacement of Instruments: (Condition 16) [Specify Replacement Agent, if other than (or in addition to) the Issue and Paying Agent]

35. Notices: (Condition 18) [Specify any other means of effective communication]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [specify relevant regulated market (for example the Bourse de Luxembourg)] of the Instruments described herein pursuant to the €25,000,000,000 Programme for the Issuance of Debt Instruments of ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A.

RESPONSIBILITY

[The information relating to [] (the “Reference Information”) contained herein has been accurately reproduced from [insert information source(s)]. [Each of/The] Issuer [and the Guarantor] accepts responsibility that [the Reference Information] has been accurately reproduced and, so far as the Issuer [and the Guarantor] [is/are] aware and [is/are] able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[ERB HELLAS PLC as Issuer

By:
Authorised Signatory

Date:.....]

[ERB HELLAS (CAYMAN ISLANDS) LIMITED as Issuer

By:
Authorised Signatory

Date:.....]

EUROBANK ERGASIAS S.A. as [Issuer/Guarantor]

By:
Authorised Signatory

Date:

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange)] with effect from [].] [Not Applicable]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange)] with effect from []] [Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Instruments to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)]]
- (The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)*
- [[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Instruments has an interest material to the offer.] *(Amend as appropriate if there are other interests)*

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)]

[4. YIELD (Fixed Rate Instruments only)

Indication of yield: []

The yield is calculated at the Issue Date on the

basis of the Issue Price. It is not an indication of future yield.]

[5. HISTORIC INTEREST RATES (*Floating Rate Instruments only*)

Details of historic [LIBOR/EURIBOR/specify other Reference Rate] rates can be obtained from [Reuters].

6. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s), addresses and number(s)]
- (iv) Settlement Procedures: [Specify whether customary medium term note/eurobond/other settlement and payment procedures apply]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any): []
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “Yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met]

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of [Subscription] Agreement: []
- (iv) Stabilising Institution(s) (if any): [In connection with the issue of the Instruments, [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Instruments is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Instruments and 60 days after the date of the allotment of the Instruments. Any such stabilisation or over-allotment must be conducted by [*name of Stabilising Institution*] (or person(s) acting on behalf of [*name of Stabilising Institution*]) in accordance with all applicable laws and rules]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: Regulation S, Category 2 restrictions apply to the Instruments
- [TEFRA C / TEFRA D / TEFRA not applicable]
- [*Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules or whether TEFRA is not applicable. In the absence of specification TEFRA D Rules will apply*]

APPLICABLE PRICING SUPPLEMENT

EXEMPT INSTRUMENTS OF ANY DENOMINATION

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Instruments, whatever the denomination of those Exempt Instruments, issued under the Programme.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF EXEMPT INSTRUMENTS DESCRIBED BELOW.

Date: []

Series No.: []

Tranche No.: []

**[ERB Hellas PLC/
ERB Hellas (Cayman Islands) Limited/
Eurobank Ergasias S.A.]**

€25,000,000,000 Programme for the Issuance of Debt Instruments

**[guaranteed
by Eurobank Ergasias S.A.]**

**Issue of
[Aggregate Principal Amount of Tranche]
[Title of Exempt Instruments]**

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Exempt Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Exempt Instruments described herein. This document must be read in conjunction with the Prospectus dated 27 May 2014 [as supplemented by the supplement[s] dated [date] (the “Prospectus”). Full information on the Issuer[, the Guarantor] and the offer of the Exempt Instruments is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus may be obtained from [address].

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Prospectus [dated [original date] which are incorporated by reference in the Prospectus.]

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

1. Issuer: [ERB Hellas PLC/ERB Hellas (Cayman Islands)
Limited/ Eurobank Ergasias S.A.]

2. Guarantor: [Eurobank Ergasias S.A./Not Applicable] (*Insert 'Not Applicable' if the Exempt Instruments are issued by Eurobank Ergasias S.A.*)
3. Status:
- (a) [of the Exempt Instruments:] [Unsubordinated (Condition 3A) / Subordinated (Condition 3B)]
(*If nothing is specified, Exempt Instruments will be unsubordinated*)
- (b) [of the Guarantee:] [Unsubordinated (Condition 4A) / Subordinated (Condition 4B)]
4. Currency:
- of Denomination: [Specify]
- of Payment: [Specify]
5. Aggregate Principal Amount of Tranche: [Specify]
6. If fungible into an existing Series: [*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*]
7. Issue Date: [Specify]
8. Issue Price: [] per cent.
9. Form of Exempt Instruments: Bearer
10. (a) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: [Specify] (*If nothing is specified and Pricing Supplement does not specify that the TEFRA C Rules apply or that TEFRA does not apply, Exempt Instruments will be represented initially by a Temporary Global Instrument*)
- (b) Temporary Global Instrument exchangeable for [Permanent Global Instrument/Definitive Instruments] [Specify Exchange Date]²
- (c) Permanent Global Instrument exchangeable: For Definitive Instruments [only] in the circumstances specified in “Provisions Relating to the Instruments Whilst in Global Form” paragraph (B)(4) [(a), (b) and (d) only (clearing system failure, Event of Default/Subordinated Default Event and at the option of the Issuer)]/[(c) (and (d)) (at any time at the option of the bearer

² N.B. Paragraphs (B)(4)(c) (*at any time at the request of the bearer*) and (d) (*at any time at the option of the relevant Issuer*) should not be expressed to be applicable if the Denomination of the Instruments in paragraph 11(a) includes language substantially to the following effect: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Instruments in definitive form will be issued with a denomination above €199,000”. Furthermore, such Denomination construction is not permitted in relation to any issue of Instruments which is to be represented on issue by a Temporary Global Instrument exchangeable for Definitive Instruments.

- or the Issuer)]¹
- (d) Coupons to be attached to Definitive Instruments: [Yes/No]
- (e) Talons for future Coupons to be added to Definitive Instruments: [Yes/No]
- (f) Definitive Instruments to be in ICMA or successor's format: [Yes/No] (*If nothing is specified Definitive Instruments will be security printed and in ICMA or successor's format*)
- (g) New Global Instrument: [Yes/No]
11. (a) Denomination(s): []
- (b) Calculation Amount: [*Specify*]
- (If only one denomination, insert the denomination. If more than one denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more denominations)*
12. Redenomination: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
13. Partly Paid Instruments: [Yes/No]
- If yes, specify number, amounts and dates for, and method of, payment of instalments of subscription moneys and any further additional provisions (including Forfeiture Dates in respect of late payment of Partly Paid Instalments) [*Give details*]
14. Date Board approval for issuance of Instruments obtained: []
- (N.B. Only relevant where Board authorisation is required for the particular Tranche of Instruments)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Interest: [Interest bearing/Non-interest bearing]
16. Interest Rate: [*Specify rate (if fixed) or Floating Rate (if floating) or ISDA Rate or formula*]
17. Relevant Screen Page: [Reuters Screen/Other] page []
18. Relevant Margin: [Plus/Minus] [] per cent. per annum
19. ISDA Rate: Issuer is [Fixed Rate/Fixed Amount/Fixed Price/Floating Rate/Floating Amount/Floating

- Price] Payer
20. Minimum Interest Rate: [] per cent. per annum
21. Maximum Interest Rate: [] per cent. per annum
22. Interest Payment Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Period: [*Specify dates (or if the Applicable Business Day Convention is the FRN Convention) number of months*]
23. Interest Period End Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Accrual Period: [*Specify*] (*If nothing is specified Interest Period End Dates will correspond with Interest Payment Dates*)
24. Applicable Business Day Convention: [*Specify, unless no adjustment is required in which case specify "No Adjustment"*] (*Note that these conventions are only to apply for the purposes of accrual of interest. Thus, a fixed rate Instrument should normally specify "No Adjustment", but for purposes of payment, a modification may be required to match a swap (see paragraph 48 "Payments" below). Care should be taken to match the maturity date (as well as other key dates) of the Exempt Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Exempt Instruments to disapply the Applicable Business Day Convention*)
- for Interest Payment Dates: []
 - for Interest Period End Dates: []
 - for Maturity Date: []
 - any other date: []
25. Relevant Financial Centres: [*Specify if different from Condition 6.9*]
26. Day Count Fraction: [*Specify*]
27. Interest Commencement Date: [*Specify, if different from the Issue Date*]
28. Interest Determination Date: [*Specify number of Banking Days in which city(ies), if different from Condition 6.9*]
29. Relevant Time: [*Specify if different from Condition 6.9*]
30. Default Interest Rate: [*Specify if different from the Interest Rate*]
31. Calculation Agent: [*Specify name and specified office*]

32. Reference Banks: [Specify]
33. If non-interest bearing:
- Amortisation Yield: [Specify]
 - Rate of interest on overdue amounts: [Specify, if not the Amortisation Yield]
 - Day Count Fraction: [Specify for the purposes of Condition 6.10 and Condition 7.13]
34. Index Linked Interest Instruments: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Formula for calculating interest rate including provisions for determining the Interest Amount where calculation by reference to Index/Indices is impossible or impracticable and other back-up provisions: [Give or annex details]
- (b) Whether the Exempt Instruments relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant index sponsors and whether such Index/Indices is/are a Multi-Exchange Index: [Basket of Indices/Single Index]
[Give or annex details]
[Details of each Index Sponsor]
Multi-Exchange Index: [Yes/No]
(Multi-Exchange Index only applies in relation to the Euro Stoxx Indices unless otherwise agreed)
- (c) Exchange(s): []
- (d) Related Exchange(s): [[]/All Exchanges]
- (e) [Valuation Dates/Averaging Dates]: []
- [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]
(Only applicable where Averaging Dates are specified)
- [Averaging Roll Days: []
(Only applicable where Modified Postponement is specified)
- [Valuation Roll Days: []
- [Reference Price: [Condition 8.4 applies/other]

(If fallback set out in the definition of “Valuation Date” in Condition 8.4 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)]

- (f) Valuation Time: [Condition 8 applies/other]
- (g) Strike Price(s): []
- (h) Multiplier for each Index comprising the basket: [Insert details/Not Applicable]
- (i) Trade Date: []
- (j) Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]

(If Correction of Index Levels does not apply, delete the following subparagraph)

[Correction Cut-Off Date: [] Business Days prior to each Interest Payment Date]/[In relation to Averaging Dates other than the final Averaging Date, [] days after the relevant Averaging Date and in relation to the final Averaging Date, [] Business Days prior to the Maturity Date]

- (k) Other terms and special conditions: []

35. Equity Linked Interest Instruments: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Formula for calculating interest rate including provisions for determining the Interest Amount where calculation by reference to Underlying Equity/Equities is impossible or impracticable and other back-up provisions: [Give or annex details]
- (b) Whether the Instruments relate to a basket of equity securities or a single equity security, and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity]
[Give or annex details]
- (c) Exchange(s): []

- (d) Related Exchange(s): []/All Exchanges]
- (e) Potential Adjustment Events: [Applicable/Not Applicable]
- (f) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (g) Tender Offer: [Applicable/Not Applicable]
- (h) Equity Substitution: [Applicable/Not Applicable]
- (i) Correction of Underlying Equity Prices: Correction of Underlying Equity Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]
- (If Correction of Underlying Equity Prices does not apply, delete the following subparagraph)*
- [Correction Cut-Off Date: [] Business Days prior to each Interest Payment Date]/[In relation to Averaging Dates other than the Final Averaging Dates, [] days after the relevant Averaging Date and in relation to the Final Averaging Date, [] Business Days prior to the Maturity Date]
- (j) [Valuation Dates/Averaging Dates]: []
- [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]
(Only applicable where Averaging Dates are specified)
- [Averaging Roll Days: []
(Only applicable where Modified Postponement is specified)
- [Valuation Roll Days: []]
- [Reference Price: [Condition 9.3 applies/other]
- (If fallback set out in the definition of "Valuation Date" in Condition 9.3 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)*
- (k) Valuation Time: [Condition 9.3 applies/other]
- (l) Strike Price: []
- (m) Exchange Rate: [Applicable/Not Applicable] [Give details]

- (n) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.2): [Not Applicable/Give details]
- (o) Trade Date: []
- (p) Other terms and special conditions: []

PROVISIONS RELATING TO REDEMPTION

36. Maturity Date: [Specify date (or Interest Payment Date occurring in month and year if FRN Convention applies)]
- (In the case of Exempt Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, if the issue proceeds are received in the United Kingdom (in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited only) and the Maturity Date is less than one year from the Issue Date, the Exempt Instruments must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another applicable exemption from section 19 of the FSMA must be available))*
37. Dates for payment of Instalment Amounts (Instalment Exempt Instruments): [Specify dates (or Interest Payment Dates occurring in months and years if FRN Convention applies)]
38. Maturity Redemption Amount: [Specify, if not the Outstanding Principal Amount]
- (Where Instruments are Index Linked Redemption Instruments or Equity Linked Redemption Instruments, see paragraph 44, 45 or 46 below as applicable)*
39. Instalment Amounts: [Specify]
40. Early Redemption for Taxation Reasons:
- Early Redemption Amount (Tax): [Specify, if not the Outstanding Principal Amount or, in the case of any Exempt Instruments which are non-interest bearing, the Amortised Face Amount]
41. Optional Early Redemption (Call): [Yes/No]
- (a) Early Redemption Amount (Call): [Specify, if not the Outstanding Principal Amount or, in the case of any Exempt Instruments which

are non-interest bearing, the Amortised Face Amount]

(b) Series redeemable in part: [Applicable/Not Applicable]

(c) Call Option Date(s)/Call Option Period: [Specify]

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

(d) Maximum Redemption Amount: [None/Specify]

(e) Minimum Redemption Amount: [None/Specify]

42. Optional Early Redemption (Put): [Yes/No]

(Only available for Unsubordinated Instruments)

(a) Early Redemption Amount (Put): [] per Calculation Amount

(b) Put Date(s)/Put Period: [Specify]

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

43. [Autocall: [Applicable/Not Applicable]

[Autocall Event:] []

[Autocall Redemption Amount:] []

[Autocall Redemption Date:] []]

44. Index Linked Redemption Instruments: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Whether the Instruments relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant index sponsors and whether such Index/Indices is/are a Multi-Exchange Index: [Basket of Indices/Single Index]
[Give or annex details]
[Specify details of each Index Sponsor]
Multi-Exchange Index: [Yes/No]
(Multi-Exchange Index only applies in relation to the Euro Stoxx Indices unless otherwise agreed)
- (b) Calculation Agent responsible for making calculations pursuant to Condition 8: [Specify name and specified office]
- (c) Exchange(s): []
- (d) Related Exchange(s): [[]/All Exchanges]
- (e) Maturity Redemption Amount: [Express per Calculation Amount]
- (f) [Valuation Date/Averaging Dates]: []
[Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]
(Only applicable where Averaging Dates are specified)
[Averaging Roll Days: []
(Only applicable where Modified Postponement is specified)
[Valuation Roll Days: []
[Reference Price: [Condition 8.4 applies/other]
(If fallback set out in the definition of "Valuation Date" in Condition 8.4 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)]
- (g) Valuation Time: [Condition 8.4 applies/other]
- (h) Strike Price(s): []
- (i) Multiplier for each Index comprising the basket: [Insert details/Not Applicable]
- (j) Trade Date: []
- (k) Correction of Index Levels: Correction of Index Levels [applies/does not

apply and the Reference Price shall be calculated without regard to any subsequently published correction]

(If Correction of Index Levels does not apply, delete the following subparagraph)

[Correction Cut-Off Date: [[] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Date, [] days after the relevant Averaging Date and in relation to the final Averaging Date, [] Business Days prior to the Maturity Date]]

(l) Other terms or special conditions: []

45. Equity Linked Redemption Instruments: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Whether the Instruments relate to a basket of equity securities or a single equity security and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity]

[Give or annex details of each Underlying Equity and each Equity Issuer]

(b) Calculation Agent responsible for to making calculations pursuant Condition 9: *[Specify name and specified office]*

(c) Exchange(s): []

(d) Related Exchange(s): [[]/All Exchanges]

(e) Potential Adjustment Events: [Applicable/Not Applicable]

(f) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]

(g) Tender Offer: [Applicable/Not Applicable]

(h) Equity Substitution: [Applicable/Not Applicable]

(i) Correction of Underlying Equity Prices: Correction of Underlying Equity Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]

(If Correction of Underlying Equity Prices does not apply, delete the following subparagraph)

[Correction Cut-Off Date: [[] Business Days prior to the Maturity Date]

(j) Maturity Redemption Amount: *[Express per Calculation Amount]*

- [Valuation Date/Averaging Dates]: []
- [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]
- (Only applicable where Averaging Dates are specified)*
- [Averaging Roll Days: []
- (Only applicable where Modified Postponement is specified)*
- [Valuation Roll Days: []]
- [Reference Price: []
- [Condition 9.3 applies [and the Reference Price shall be determined by reference to the price of the relevant Underlying Equity at the Valuation Time on the [Valuation Date]/[Averaging Date] [other]
- (If fallback set out in the definition of "Valuation Date" in Condition 9.3 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)*
- (k) Valuation Time: [Condition 9.3 applies/other]
- (l) Strike Price: []
- (m) Exchange Rate: [Applicable/Not Applicable]
[Insert details]
- (n) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.2): [Insert details/Not Applicable]
- (o) Trade Date: []
- (p) Other terms or special conditions: []
46. Additional Disruption Events: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Change in Law: [Applicable/Not Applicable]
- (b) Hedging Disruption: [Applicable/Not Applicable]

- (c) Increased Cost of Hedging: [Applicable/Not Applicable]
- (d) Increased Cost of Stock Borrow: [Applicable/Not Applicable]
- (e) Loss of Stock Borrow: [Applicable/Not Applicable]
- (f) Equity Substitution: [Applicable/Not Applicable]
- (g) Trade Date: []

47. [Events of Default (Condition 11.1) / Subordinated Default Events (Condition 11.3) / Illegality (Condition 7.9) / Adjustments to an Index (Condition 8.2) / De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer (Condition 9.2) / Additional Disruption Events (Condition 10.2)]:

- (a) Early Termination Amount: *[Specify, if not the Outstanding Principal Amount or, in the case of any Exempt Instruments which are non-interest bearing, the Amortised Face Amount]*

[In respect of each Calculation Amount, an amount in *[insert Currency]* determined by the Calculation Agent which represents the fair market value of such Calculation Amount [(which for the avoidance of doubt shall be deemed to include amounts in respect of interest (if any))] immediately prior to the date on which the Instruments are to be redeemed less (except in the case of early redemption pursuant to Condition 11) the cost to the Issuer[, the Guarantor] and/or any of their Affiliates of unwinding any related hedging arrangements. For the purposes of determining the fair market value of the Instruments for the purposes of Condition 11, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligation in respect of the Instruments. If the Instruments have become redeemable pursuant to Condition 7.9 (Illegality), then Condition 7.9 shall be amended by the deletion of the words “together with all interest (if any) accrued thereon”. If the Instruments have become redeemable pursuant to Condition 11 (Events of Default), then Condition 11.2 shall be amended by the deletion of the words “together with all interest (if any) accrued thereon”] (*Consider inserting for Index Linked Instruments or Equity Linked Instruments*

but also consider how any accrued interest is to be treated)

- (b) Any additional (or modifications to) [Events of Default/Subordinated Default Events]: [Specify]

48. Payments:

- (a) Unmatured Coupons missing upon Early Redemption: [Specify whether paragraph (i) or paragraph (ii) of Condition 13A.5 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments]
- (b) Specify any modification to the adjustment provisions for payment dates: [Specify whether e.g. the Modified Following Business Day Convention should apply for purposes of payment]

49. Replacement of Exempt Instruments: [Specify Replacement Agent, if other than (or in addition to) the Issue and Paying Agent]

50. Notices: [Specify any other means of effective communication]

FURTHER INFORMATION

51. Other Relevant Terms and Conditions: []

RESPONSIBILITY

[Subject as set out below,] the Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [The information relating to [] (the "Reference Information") contained herein has been accurately reproduced from [insert information source(s)]. [Each of/The] Issuer [and the Guarantor] accepts responsibility that [the Reference Information] has been accurately reproduced and, so far as the Issuer [and the Guarantor] [is/are] aware and [is/are] able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[**ERB HELLAS PLC** as Issuer

By:
Authorised Signatory

Date:.....]

[**ERB HELLAS (CAYMAN ISLANDS) LIMITED** as Issuer

By:
Authorised Signatory

Date:.....]

EUROBANK ERGASIAS S.A. as [Issuer/Guarantor]

By:
Authorised Signatory

Date:

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Not listed/[]]
(Exempt Instruments may not be listed on a European Economic Area stock exchange)
- (ii) Admission to trading: [Not Applicable/[]]
(Exempt Instruments may not be admitted to trading on a regulated market in the European Economic Area)
- (iii) Estimate of total expenses related to admission to trading: [Not Applicable/[]]

2. RATINGS

- Ratings: [The Instruments to be issued [[have been]/[are expected to be]] rated *[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies)]*
- (The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)*
- [[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]*

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Instruments has an interest material to the offer.] *(Amend as appropriate if there are other interests)*

4. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s), addresses) and number(s)*]
- (iv) Settlement Procedures: [*Specify whether customary medium term note/eurobond/other settlement and payment procedures apply*]

- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any): []
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “Yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met]
- [No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

5. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilising Institution(s) (if any): [In connection with the issue of the Instruments, [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Instruments is made and, if begun, may be ended at any time, but it must end no later than

the earlier of 30 days after the issue date of the Instruments and 60 days after the date of the allotment of the Instruments. Any such stabilisation or over-allotment must be conducted by [*name of Stabilising Institution*] (or person(s) acting on behalf of [*name of Stabilising Institution*]) in accordance with all applicable laws and rules]

(iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]

(v) U.S. Selling Restrictions: Regulation S, Category 2 restrictions apply to the Instruments

[TEFRA C / TEFRA D / TEFRA not applicable]

[Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules or whether TEFRA is not applicable. In the absence of specification TEFRA D Rules will apply]

(vi) Other Selling Restrictions: [*Specify any modifications of or additions to selling restrictions contained in Dealership Agreement*]

6. OTHER INFORMATION

[*E.g. risk factors relating to a specific issue of Exempt Instruments*]

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Instruments will be applied by the relevant Issuer to meet part of the general financing requirements of the Bank and its subsidiaries.

CAPITALISATION

The following table sets out (i) the Bank's actual consolidated equity capitalisation as at 31 December 2013, and (ii) the Bank's consolidated equity capitalisation as at 31 December 2013, as adjusted to reflect the Share Capital Increase.

(€ in millions)	As at 31 December 2013	
	Actual	Adjusted ⁽¹⁾
	(unaudited)	
Ordinary Shares.....	1,641	4,413
Preference Shares.....	950	950
Total Share Capital	2,591	5,363
Share premium	6,669	6,761
Less: Treasury Shares.....	(0)	(0)
Other reserves	3,658	3,658
Preferred securities.....	77	77
Retained earnings.....	(8,753)	(8,753)
Capital and reserves attributable to equity holders	4,242	7,106
Non-controlling interest	281	281
Total equity	4,523	7,387

⁽¹⁾ As adjusted for the Share Capital Increase.

THE ACQUISITIONS

On 30 August 2013, Eurobank completed the acquisition of 100 per cent. of the shares and voting rights of New TT HPB and New Proton Bank, against the backdrop of the ongoing restructuring and consolidation of the Greek banking sector, which began at the onset of the economic crisis. (Please see “The Banking Sector and the Economic Crisis in Greece—The Structure of the Banking Sector in Greece and Recent Developments—Consolidation”). Eurobank started consolidating New TT HPB and New Proton Bank into the Bank’s financial statements as of 1 September 2013. On 15 October 2013, Eurobank signed draft merger agreements with New TT HPB and New Proton Bank pursuant to which each such bank would be merged into (absorbed by) Eurobank. The merger of Eurobank with New Proton Bank and New TT HPB was completed on 22 November 2013 and 27 December 2013, respectively, as a result of which all the assets and liabilities of New Proton Bank and New TT HPB were transferred to Eurobank, which has become the quasi-universal successor of New Proton Bank and New TT HPB by operation of law.

The Acquisitions improved Eurobank’s size and profile and had a positive impact on the Bank’s liquidity and capital base, further enhancing the Bank’s systemic standing. The following table sets out information relating to the assets, loans net of provisions and customer deposits of each of New TT HPB Group and New Proton Bank as at 30 August 2013.

(€ in millions)	Total Assets	Total Loans (Net of Provisions)	Total Deposits	Customer
New TT HPB Group	13,458	6,678	10,354	
New Proton Bank	1,112	512	954	

As at 30 August 2013, the date on which Eurobank completed the Acquisitions, New TT HPB Group and New Proton Bank contributed €10.4 billion and €0.9 billion, respectively, to the Bank’s deposits and €6.7 billion and €0.5 billion, respectively, to the Bank’s loans (net of provisions). The legal and operational mergers of New Proton Bank were completed on 22 November 2013 and 9 December 2013, respectively, and the legal merger of New TT HPB was completed on 27 December 2013, with the operational merger also completed on 12 May 2014. As a result, New TT HPB was monitored as a separate operating segment as at 31 December 2013 and its contribution to the Group’s deposits and loans (net of provisions) amounted to €10.2 billion (25 per cent.) and €6.4 billion (14 per cent.), respectively.

The Bank, with the active involvement of its senior management, principally through their participation in a dedicated Steering Committee, is engaged in the integration of New TT HPB and New Proton Bank. The following table sets out certain key dates in the acquisitions and integration processes of New TT HPB and New Proton Bank.

Event	New TT HPB	New Proton Bank
Binding agreement signed.....	15 July 2013	15 July 2013
Bank shareholders approved acquisition.....	26 August 2013	26 August 2013
Bank acquired 100% ownership.....	30 August 2013	30 August 2013
Incorporation into Group consolidated financial statements	1 September 2013	1 September 2013
Completion of legal integration (merger by absorption).....	27 December 2013	22 November 2013
Completion of operational integration.....	12 May 2014	9 December 2013

New TT HPB Acquisition

New TT HPB was incorporated on 18 January 2013 as a société anonyme, with HFSF being its sole shareholder. New TT HPB was established as an interim credit institution that was set up to exist for two years from the registration of the Ministry of Finance decision with respect to the incorporation of the New TT HPB in the General Commercial Registry. Most of the contractual rights, assets and liabilities of TT Hellenic Postbank S.A., and particularly its deposits, branch network and operating assets, were transferred to New TT HPB.

On 15 July 2013, Eurobank signed a binding agreement with the HFSF to acquire 100 per cent. of the shares and voting rights of the New TT HPB for a consideration of €681 million to be paid through the issuance of Eurobank's ordinary shares. The acquisition was completed on 30 August 2013 after receiving all necessary regulatory approvals, at which time New TT HPB became a wholly owned subsidiary of the Bank. Eurobank began to consolidate the results of New TT HPB Group into the Bank's financial statements as of 1 September 2013. On 30 September 2013, the Boards of Directors of Eurobank and New TT HPB decided to initiate the merger process of the two banks through the absorption of New TT HPB by Eurobank, by consolidating the assets and liabilities of the two merging banks, in accordance with the combined provisions of article 16 of Law 2515/1997 and articles 69-78 of Law 2190/1920. The merger balance sheet common reference date was 30 June 2013. On 27 December 2013, the merger of Eurobank with New TT HPB was completed.

New TT HPB offered a wide range of banking and financial services, focusing strongly on retail savings. As at the acquisition date, total assets of New TT HPB Group amounted to €13.5 billion, of which €7.6 billion were gross loans, €4.2 billion were EFSF notes and €1.4 billion were Greek Government securities. Total liabilities amounted to €13 billion, of which €10.4 billion were customer deposits and €2.5 billion were repurchase agreements with banks. Of the customer deposits, 40 per cent. were savings and sight deposits, which carry a lower cost than time deposits and tend to be more stable. Of the customer loans acquired, 66 per cent. were mortgage loans and 18 per cent. consumer loans.

Eurobank has developed a detailed integration plan for New TT HPB, in which the Bank is aiming to use its competitive advantages while fully respecting its long and strong tradition. In this framework, New TT HPB's branch network will remain autonomous in order to leverage its brand name. Eurobank refers to this as the Bank's "One Bank – Two Brands" strategy of integration.

New Proton Bank Acquisition

New Proton Bank was incorporated on 9 October 2011, as a société anonyme, with HFSF being its sole shareholder. New Proton Bank was established as an interim credit institution that was set up to exist for two years from the registration of the Ministry of Finance decision with respect to the incorporation of the New Proton Bank in the General Commercial Registry. Most of the contractual rights, assets and liabilities of Proton Bank, and particularly its deposits, branch network and operating assets, were transferred to New Proton Bank.

On 15 July 2013, Eurobank signed a binding agreement with HFSF to acquire 100 per cent. of the shares and voting rights of New Proton Bank for a cash consideration of €1. Prior to completion of the transaction, the HFSF covered the capital needs of New Proton Bank by contributing €395 million in cash. On 30 August 2013, Eurobank completed the acquisition after receiving all necessary regulatory approvals, at which time New Proton Bank became a wholly owned subsidiary of the Bank. Eurobank began to consolidate New Proton Bank's results into the Bank's financial statements as of 1 September 2013. On 7 October 2013, the Boards of Directors of Eurobank and New Proton Bank decided to initiate the merger process of the two banks through the absorption of New Proton Bank by Eurobank, by consolidating the assets and liabilities of the two merging banks, in accordance with the combined provisions of article 16 of Law 2515/1997 and articles 69-78 of Law

2190/1920. The merger balance sheet common reference date was 30 June 2013. On 22 November 2013, the merger of New Proton Bank with Eurobank was completed.

New Proton Bank offered a wide range of banking and financial services, focusing mainly on large corporate and SME customers.

EUROBANK ERGASIAS S.A.

Overview

Eurobank is one of the four systemic banks in Greece, operating in key banking product and service markets. As at 31 December 2013, the Bank had €77.6 billion, €53.5 billion and €41.5 billion in consolidated total assets, gross loans and advances to customers and customer deposits, respectively, and a network of 579 branches in Greece (retail and corporate), 541 branches and 33 business centres in Southeastern Europe, a subsidiary with one branch in Luxembourg, a branch in the United Kingdom, and a worldwide workforce of 18,819 employees.

Eurobank offers a wide range of financial services to the Bank's retail and corporate clients. Eurobank has a strategic focus in Greece in fee-generating activities, such as asset management, private banking, equity brokerage, treasury sales, investment banking, leasing, factoring, life insurance, real estate and trade finance. The Bank is also among the leading providers of banking services and credit to SMEs, small businesses and professionals, large corporates and households. Eurobank's Greek operations for the year ended 31 December 2013 accounted for 64.3 per cent. of the Bank's operating income, with international operations accounting for the remaining 35.7 per cent..

Eurobank has an international presence in seven countries outside of Greece, with operations in Romania, Bulgaria, Serbia, Ukraine, Cyprus, Luxembourg and the United Kingdom, which, at 31 December 2013, collectively represented 542 branches and 34 business centres and 42 per cent. of the Bank's total workforce. As at 31 December 2013, the Bank's international operations had €13.0 billion in total assets (16.7 per cent. of the Group's total), €8.5 billion in gross loans (16.0 per cent. of the Group's total) and €8.6 billion in customer deposits (20.7 per cent. of the Group's total).

In 2013, the Bank expanded its operations through the acquisitions of New TT Hellenic Postbank S.A. ("New TT HPB") and New Proton Bank S.A. ("New Proton Bank") (the "Acquisitions"), which occurred in the context of the on-going consolidation of the Greek banking sector. The Bank acquired full ownership of New TT HPB and New Proton Bank on 30 August 2013. These Acquisitions improved the Bank's size and profile and had a positive impact on the Bank's liquidity and capital base. Additionally, Eurobank expect the Acquisitions to lead to synergies through the reduction of operational and funding costs. The Bank believes the Acquisitions will help strategically position the Bank to benefit from the expected recovery of the Greek economy.

Recapitalisation

The last two years have been a transformational period for both the Greek banking sector and the Bank in particular, with major events shaping the strategic agenda of the Group for the coming years. Issues relating to the Greek fiscal crisis, such as the voluntary exchange of Greek Government bonds held by private investors that was completed in April 2012 (the "private sector involvement" or the "PSI"), posed challenges to the Greek banking sector. Two diagnostic exercises were performed in 2011 and 2013, the most recent one being the updated stress test and study of the quality of the loan portfolios of Greek commercial banks as of 30 June 2013 (the "BlackRock Updated Exercise") conducted by BlackRock Solutions ("BlackRock"). Based on the results of the BlackRock Updated Exercise, on 6 March 2014, the Bank of Greece announced that the Group's additional capital needs were €2,945 million under the baseline scenario and €4,980 million under the adverse scenario. By virtue of Decision 109 of the Credit and Insurance Committee of the Bank of Greece dated 8 April 2014, the Bank's capital needs were set at €2,864 million.

Among the Bank's major recent strategic events was the completion of the divestment of Polbank EFG, the Bank's Polish subsidiary, to Raiffeisen Bank International in April 2012 and the disposal of the Bank's Turkish subsidiary, Eurobank Tekfen, to Burgan Bank in December 2012. On 15 February 2013, after the successful completion of a voluntary tender offer, National Bank of Greece

S.A. ("NBG") acquired 84.35 per cent. of Eurobank's then total outstanding ordinary shares. On 8 April 2013, Eurobank announced that the proposed merger with NBG had been suspended by Greek regulatory authorities and that each bank would proceed with its recapitalisation on a standalone basis. Following that announcement, the Bank was recapitalised through a capital increase in the amount of €5,839 million that was fully subscribed by the HFSF, following which the HFSF became the Bank's controlling shareholder, owning 98.6 per cent. of the Bank's then total outstanding ordinary shares.

In June 2013, the Bank concluded a liability management exercise that generated approximately €317 million of Core Tier I capital, following which HFSF owned 93.6 per cent. of Eurobank's voting rights. In August 2013, the Bank completed the acquisitions of New TT HPB and New Proton Bank. In connection with the acquisition of New TT HPB, the Bank issued new ordinary shares to the HFSF, following which the HFSF owns 95.2 per cent. of the Bank's total outstanding ordinary shares.

On 29 April 2014, Eurobank announced the results of the Share Capital Increase and on 9 May 2014 placed 9,238,709,677 new ordinary shares with total proceeds of €2,864,000,000.10. In particular the Bank's share capital increased by €2,771,612,903.10 and an aggregate of 9,238,709,677 new ordinary registered shares, each having a nominal value of €0.30 were issued. The Board of Directors of the Bank set the offer price at €0.310000000024895 per offered new ordinary registered share. The total above par value of €92,387,097.00 was credited to the Bank's own funds account.

Eurobank's Competitive Strengths

Eurobank believes it has a number of competitive strengths that allow the Bank to respond to the challenging conditions in the market and will position the Bank well to benefit from improved market conditions in the future and the significant recovery momentum of the Greek economy. These strengths include:

Systemic Greek bank with a strong position in a consolidated Greek banking sector

As one of the four systemic banks in Greece, Eurobank believes it has a strong position in the Greek banking sector. In response to the economic crisis in Greece and the need to strengthen the capital position and ensure the viability of Greek banks, the Greek banking sector has undergone a phase of significant consolidation, with the four systemic banks together having a market share (in terms of gross customer loans) of 93 per cent. as at 31 December 2013, compared to a market share of the four largest banks in Greece by gross customer loans of 59 per cent. as at 31 December 2005. Within the new consolidated Greek banking sector, as at 31 December 2013, the Bank had a market share of 20 per cent. of gross domestic loans and 18 per cent. of domestic customer deposits and a national branch network of 579 branches, many of which are in prime locations.

Eurobank believes its strong position within the new structure of the banking sector in Greece positions it well to benefit from improved market conditions in the future and the prospective recovery of the Greek economy.

Leading position in the Greek banking market in key fee-generating activities and specialty finance businesses

Eurobank believes its leading position in the Greek banking market in key fee-generating businesses, such as equity brokerage, treasury sales, investment banking, trade services, wealth and asset management, private banking, life insurance and securities services, as well as lending to small and medium sized enterprises with annual turnover of between €2.5 million and €25 million ("SMEs") and small businesses and specialty finance activities, such as factoring, positions the Bank well to compete in the consolidated Greek banking sector. Eurobank's gross banking fee and commission income for the year ended 31 December 2013 as a percentage of total gross loans as at 31 December 2013 was 0.7 per cent..

- *Equity brokerage* — Eurobank have been the market leader in Greece in equity brokerage services for five consecutive years beginning in 2009, with a 15.6 per cent. market share by transaction value in 2013, according to data published by HELEX.
- *Treasury sales* — Treasury sales services constitute a significant strength of the Bank.
- *Corporate & Investment banking* — Eurobank believes it has established a strong track record in corporate and investment banking capabilities through the Bank's client-centric service model, skilled and qualified employees, a diversified distribution network, a broad product and service portfolio, the Bank's leading capability in fee-generating businesses and the Bank's advanced technological platforms. Eurobank has a leading position in Greece in mergers and acquisitions advisory based on number of transactions, advising on 36 transactions in the 2007–2013 period, as well as in syndicated loans issuance, advising on €14 billion of loans in the 2010–2013 period based on overall deal value.
- *Trade services* — Eurobank are among the leading trade finance providers in Greece, with a 25.4 per cent. market share as at 31 December 2013, based on the size of the total market as reported by the Bank of Greece.
- *Asset management* — Eurobank's asset management subsidiary, Eurobank Asset Management M.F.M.C. ("Eurobank Asset Management"), holds the leading position in Greece in the areas of asset and fund management, according to the Hellenic Association of Institutional Investors, and operates in Greece and abroad. Its total assets under management amounted to €2.9 billion as at 31 December 2013, which reflected a market share of 26.5 per cent. in the mutual funds market. As at 31 December 2013, six of Eurobank Asset Management's funds had a 5-star Morningstar rating, and seven of its funds had a 4-star Morningstar rating.
- *Private banking* — Eurobank is recognised as a market leader in the private banking segment in Greece, with €6.4 billion of assets under management as at 31 December 2013. Eurobank has been rated the "Best Private Bank in Greece" by World Finance for the years 2010, 2011, 2012 and 2013.
- *Insurance* — Eurobank's life insurance and property and casualty insurance subsidiaries, Eurolife ERB Life Insurance S.A. and Eurolife ERB General Ins. S.A., was the third-largest insurance group in the Greek market in 2012 and had gross written premiums of €334 million for the year ended 31 December 2013. The Bank's insurance business has generated profits of approximately €50 million per year, with an average return on equity of approximately 30 per cent. over the five-year period 2008 to 2013. In addition, the Bank's insurance operations are strongly capitalised, with a combined 412 per cent. solvency ratio under Solvency I (Directive 2002/12/EC and 2002/13/EC) as at 31 December 2013, and have a highly liquid investment portfolio with a value of €1.4 billion as at 31 December 2013. The Bank does not expect its insurance business to require additional funding or capital as a result of the new regulatory environment under Solvency II (Directive 2009/138/EC), which will be effective from January 2016. Eurobank is also recognised as holding an important position among insurance brokers in the Greek market through the Bank's subsidiary ERB Insurance Services S.A., which provides solutions and consulting services to companies and individuals.
- *Securities custody* — Eurobank is recognised as a leading provider of securities custody services in Greece and SEE to domestic and international institutional clients, offering a quality of service commensurate with international standards. As at 31 December 2013, the Bank had €26 billion of assets under custody. The quality of the Bank's regional securities custody services has been internationally acknowledged by the specialised industry magazines "Global Custodian" and "Global Finance".

- *Lending to SMEs & Small Businesses* — Eurobank is a market leader in SME and small business lending, with gross loans to SMEs of €9.5 billion and gross loans to small businesses of €7.4 billion as at 31 December 2013.
- *Specialty finance — factoring* — Eurobank’s factoring subsidiary, Eurobank Factors S.A., is the market leader in factoring in Greece, with a market share of 31 per cent. for the year ended 31 December 2013, according to Factors Chain International (FCI).

A modern bank with an entrepreneurial culture and proven track record of innovation supported by advanced and scalable information technology (“IT”) infrastructure

Eurobank believes the qualities that differentiate it from the other three Greek systemic banks include the Bank’s customer orientation, its entrepreneurial management and a commitment to develop a strong sales culture and multi-skilled staff who are able to adapt quickly to changing business needs. Eurobank’s entrepreneurial culture and product innovation are key drivers of the Bank’s customer-oriented business model. Eurobank has implemented this customer-oriented approach across business units and products through cross-divisional support teams, seeking to continually improve the customer experience.

Eurobank has demonstrated its entrepreneurial culture by implementing an innovative business model by addressing new market segments and creating new market standards in response to changing market dynamics. Eurobank was among the first banks in Greece to establish a business unit dedicated to SMEs. In addition, Eurobank is a leading bank in Greece in identifying small businesses, defined as businesses and professionals with annual turnover of up to €2.5 million, as a distinct business sector and providing a full range of banking products and services.

Eurobank has a proven track record of product innovation and has introduced new value-added products and added new features to traditional products. For example, the Bank was the first bank in Greece to launch co-branded credit cards, e-deposit products, personalised term deposits and, more recently, contactless credit cards. Other recent examples of innovative corporate services introduced by Eurobank include reverse factoring, Exportgate.gr (an electronic platform for Greek exporters and international buyers) and Go International (an economic co-operation programme between Greek companies and their counterparties abroad). Eurobank’s product innovation has been recognised by numerous awards, including more than 30 awards since 2001 for the Bank’s e-banking services, the E-Volution award in 2012 for the Bank’s mobile banking services, and awards for the Bank’s corporate and investment banking business (including being named “Best Domestic Cash Manager 2013” by Euromoney).

Eurobank’s entrepreneurial culture and client-oriented approach is driven by the Bank’s management and its highly qualified staff. Eurobank’s management team has extensive banking experience and a proven track record in banking in Greece and abroad. While the majority of the Bank’s core management team have been with the Group for the last decade, leading executives with significant international experience have joined the Bank’s senior team more recently, adding strength and depth to the management of the Bank. Eurobank’s staff are multi-skilled and highly educated, with 64 per cent. having a graduate or post-graduate degree as at 31 December 2013. In addition, as at 31 December 2013, 76 per cent. of the Bank’s network staff is certified by the Bank of Greece in the provision of investment advice.

Eurobank also has an advanced and scalable IT infrastructure and have adopted a lean and efficient IT governance structure and modern methods to align the Bank’s IT platform with the Bank’s business strategy. Eurobank has been consistently rated as an “A-Bank” (combination of business and IT efficiencies) in Western Europe by McKinsey since 2007. In addition, the resilience of the Bank’s IT infrastructure has been proven through the integration of numerous acquisitions the Bank has undertaken in the past, resulting in operational cost synergies.

Increase in scale and positive impact from synergies through the acquisitions of New TT HPB and New Proton Bank, which present significant strategic benefits

The acquisitions of New TT HPB and New Proton Bank, completed in August 2013 increased the Bank's size and improved the Bank's profile, further enhancing the Bank's systemic standing and, Eurobank believes, strategically positioning it to benefit from the expected recovery of the Greek economy.

As at 30 August 2013, the date on which Eurobank completed the Acquisitions, New TT HPB Group and New Proton Bank contributed €10.4 billion and €0.9 billion, respectively, to the Bank's deposits and €6.7 billion and €0.5 billion, respectively, to the Bank's loans (net of provisions). The legal and operational mergers of New Proton Bank were completed on 22 November 2013 and 9 December 2013, respectively, and the legal merger of New TT HPB was completed on 27 December 2013, with the operational merger expected to be completed within the second quarter of 2014. As a result, as at 31 December 2013, New TT HPB was monitored as a separate operating segment and its contribution to the Group's deposits and loans (net of provisions) amounted to €10.2 billion (25 per cent.) and €6.4 billion (14 per cent.), respectively. The Acquisitions resulted in an increase in scale and will produce significant strategic benefits for the Group through their large and complementary customer base, which Eurobank believes will provide the Bank with opportunities for further market penetration. In particular, Eurobank believes the Acquisitions will provide opportunities to cross-sell the Bank's products to existing customers of New TT HPB. In addition, New TT HPB's existing exclusive distribution agreement with Hellenic Post provides the Bank with opportunities to leverage Hellenic Post's extensive distribution network and high in-branch traffic to cross-sell the Bank's products and to capture lower-cost deposits and other new business. The Acquisitions have strengthened the Bank's liquidity position by improving the Bank's loan to deposit ratio to 109.8 per cent. as at 31 December 2013 (from 136 per cent. as at 30 June 2013) and by increasing the Bank's total assets to approximately €78 billion as at 31 December 2013.

In addition, Eurobank expects to derive synergies from the integration of New TT HPB and New Proton Bank, which the Bank estimates, on a pre-tax basis, to be approximately €200 million in 2015. Integration costs allowing the Bank to achieve these synergies are estimated at a one-off amount of €57 million, of which €32 million have already been incurred while the remaining €25 million are expected to be incurred in 2014. For the year ended 31 December 2013, the Bank realised synergies of €89 million, of which €56 million resulted from funding cost synergies and €33 million from operating cost synergies.

In the context of the Greek banking consolidation and the recent acquisitions undertaken by the other three systemic banks in Greece, Eurobank believes that its Acquisitions present controlled execution risk, given that New TT HPB and New Proton Bank were both "good" banks (banks that went through a resolution process during which only selected assets and liabilities were transferred to them) and that they together contributed only 16 per cent. of the Bank's customer loans at the time of acquisition, and at the same time provide potential for organic market share growth. Eurobank has a strong track record of successful integration of acquisitions, having completed more than 20 mergers and acquisitions since 1998, and particular experience in acquiring and integrating postal and savings banks like New TT HPB.

Strong capitalisation levels following the Share Capital Increase

On a pro forma basis, including the transaction with Fairfax and the application of the IRB methodology to New TT HPB's mortgage portfolio, and following the completion of the Share Capital Increase in which the Bank raised €2,864 million, as at 31 December 2013, the Bank's Core Tier I ratio would have been 19.0 per cent., including the total amount of the Bank's deferred tax assets permitted by the new Act 36/23.12.2013 of the Executive Committee of the Bank of Greece, which exceeds the 9 per cent. minimum capital adequacy level required by the Bank of Greece.

Based on the above assumptions and assuming the full implementation of the Basel III rules in effect as of 1 January 2014, Eurobank's pro forma Common Equity Tier 1 ratio and total capital adequacy ratio would have been 10.6 per cent. as at 31 December 2013.

Eurobank's Strategy

The Bank has identified a set of drivers affecting its revenues, operating costs and cost of risk that the Bank believes provides the Group with a strategy to return to profitability in the medium term. Of these, the key drivers are:

- *Recovery of fee and commission income* — Eurobank believes its leading position in Greece in key fee-generating businesses positions the Bank well to benefit from the expected recovery in fee and commission income as the Greek economy recovers.
- *Decrease in funding costs* — Eurobank expects that time deposit spreads in Greece will improve in the medium term, as a result of macroeconomic stabilisation and further consolidation of the Greek banking sector, which would have a positive effect on net revenues. In addition, the Bank expects that its reliance on Eurosystem funding, and, in particular, Emergency Liquidity Assistance (“ELA”) funding, which currently has a funding cost 175 basis points higher than ECB funding, will continue to be reduced in the medium term, which would have a favourable effect on the Bank's funding costs. As at 31 December 2013, the Bank's ELA funding was €5.6 billion, compared to €12 billion as at 31 December 2012. Based on the above, a €1 billion movement from ELA funding to ECB funding would reduce the Bank's funding costs by €17.5 million per year on the Bank's profit/(loss) before tax.
- *Cost containment* — Eurobank believes its cost containment efforts will be key to its return to profitability. Eurobank have achieved a reduction in operating costs of 24.8 per cent. for the year ended 31 December 2013 (excluding New TT HPB and New Proton Bank), a reduction of 28 per cent. (excluding New TT HPB and New Proton Bank, as well as the €35 million paid to the Hellenic Deposit and Investment Guarantee Fund) compared to the year ended 31 December 2008 (excluding the Bank's Polish and Turkish operations, which the Bank disposed of in 2011 and 2012, respectively), a reduction of 18.9 per cent. compared to the year ended 31 December 2010 and a reduction of 7.2 per cent. compared to the year ended 31 December 2012, and the Bank intends to continue to adjust its cost structure as appropriate. The Bank achieved a significant milestone in its cost containment efforts with the completion in December 2013 of a voluntary exit scheme, under which 1,066 employees participated. Eurobank incurred one-off pre-tax costs of €86.5 million, net of provisions for retirement benefits, in connection with this scheme and expects to realise annual pre-tax cost savings of approximately €61 million as a result of the exercise.
- *Position Group to benefit from normalisation of cost of risk* — Eurobank believes its strong and proactive remedial management framework and efficient collection capabilities will position it well to benefit from the expected improvement in the cost of risk in Greece. The cost of risk in Greece is expected to be positively affected by a general recovery in macroeconomic conditions.

The Bank's cost of risk in Greece was 417 basis points for the year ended 31 December 2013 (including New TT HPB and New Proton Bank), compared to 100 basis points for the year ended 31 December 2007. The pace of formation of the Bank's loans more than 90 days past due increased to €539 million in the fourth quarter of 2013 (excluding New TT HPB and New Proton Bank), compared to €460 million in the third quarter of 2013, €493 million in the second quarter of 2013 and €696 million in the first quarter of 2013.

In order to take advantage of these drivers, the Bank has initiated a strategic transformation programme, the key components of which are as follows:

Enhance the Bank's client relationship-focused business model

Eurobank's business model is built around meeting the savings, financing and investment, as well as the day-to-day banking, needs of the Bank's customers. Through this customer-focused model, the Bank is aiming to foster the healthy development of profitable client relationships.

Eurobank plans to enhance and refine this client-focused approach by strengthening its fee-generating businesses in order to maximise its revenues and increase the Bank's liquidity. Eurobank intends to achieve this through implementing a new client segmentation model, which identifies clients according to client size, complexity and revenue potential. This will enable the Bank to focus on clients that offer the highest profitability potential, with the aim of becoming their primary banking relationship partner, while allowing the Bank to manage clients that offer more limited opportunities.

Eurobank has also started to implement a dual brand strategy for Eurobank and New TT HPB, in order to realise the value of the brand recognition and loyalty of existing New TT HPB customers. Eurobank also seeks to increase profitability per client by leveraging multi-channel opportunities.

Fully integrate the acquisitions of New TT HPB and New Proton Bank

Integration of New TT HPB and New Proton Bank is an important strategic priority for the Bank, as it seeks to achieve the anticipated capital and liquidity benefits and synergies of the Acquisitions and to strengthen its financial position through effective risk management of the combined Group. In particular, the Bank plans to pursue opportunities to promote its products to existing customers of New TT HPB, as well as to pursue opportunities under New TT HPB's exclusive distribution arrangement with Hellenic Post. The legal and operational mergers of New Proton Bank were completed on 22 November 2013 and 9 December 2013, respectively, and the legal merger of New TT HPB was completed on 27 December 2013, with the operational merger expected to be completed within the second quarter of 2014.

Focus on the Bank's risk management framework and remedial and non performing loan management

The Bank's risk management framework and remedial management is one of its key strengths, which the Bank intends to continue to build on.

The Bank has implemented a structural reorganisation of its risk and remedial management functions, through the establishment of a centralised and dedicated corporate remedial unit focusing on SME clients, which was previously managed through the Bank's network of business centres. The Bank further centralised its household lending remedial activity. In addition, the Bank plans to manage non-performing customers based on total client exposure across all lending portfolios and products. The Bank believes these initiatives will strengthen and increase the capacity of its risk and remedial management capabilities. The Bank plans to further enhance its remedial management capabilities with further industry specialisations, and it is considering commercialising its remedial capabilities to serve third parties.

Furthermore, the Bank has identified a number of strategic initiatives and priorities that the Bank plans to apply to its overall lending activity designed to maintain and improve asset quality and mitigate credit risk. These include:

- pursuing a shift from unsecured to secured lending and shorter tenors;
- reducing the relative size of the Bank's consumer loan portfolio;
- targeting strategic sectors in business lending;
- implementing risk-based pricing; and
- focusing on remedial management.

Transform the Bank's operational model to increase efficiency and reduce costs

Eurobank has identified a number of initiatives that it is pursuing to increase efficiency and reduce costs. These initiatives include:

- centralising the Bank’s support functions (such as legal, marketing and loans administration) and consolidating reporting lines;
- adjusting the Bank’s network footprint, including, where appropriate, closing branches, based on profitability potential and contribution to liquidity;
- reducing the Bank’s non-staff related costs, including real estate and procurement;
- streamlining the Bank’s operational processes (e.g., remedial management); and
- streamlining the Bank’s product portfolios and reducing the number of product codes.

History and Development of the Group

The Bank was incorporated under the laws of Greece on 11 December 1990 under the name “Euromerchant Bank S.A.”. Following the acquisition of a controlling interest in the Bank of Athens (incorporated as a legal entity in 1924) in 1998, the Bank was absorbed by the latter in March 1999 and is presently operating as a credit institution in the form of a *société anonyme* under Law 2190/1920, Law 3601/2007 and Law 3606/2007. The Bank’s ordinary shares were listed on the ATHEX in 1999. Today, Eurobank is the principal operating company of the Group and the direct or indirect parent company of the operating subsidiaries in the Group.

Eurobank’s Products, Services and Activities

Eurobank provides a wide variety of banking products and services to retail customers and corporate clients. The Bank is active in retail banking, corporate banking, project finance, shipping, investment banking, e-banking and green banking and provide equity brokerage, asset management, private banking and insurance products and services.

Most of the Bank’s operations are in Greece and include retail, commercial and investment banking, as well as asset management and private banking. As at 31 December 2013 and 31 December 2012, approximately 83.3 per cent. and 79.1 per cent., respectively, of the Bank’s total assets were related to its operations in Greece. The Bank’s Greek banking operations accounted for 64.3 per cent. of its total revenues from continuing operations for the year ended 31 December 2013 and 68.0 per cent. of the Bank’s total revenues from continuing operations for the year ended 31 December 2012.

As at 31 December 2013, 84.0 per cent. of its loans and advances to customers were extended to borrowers in Greece.

The following table sets out the Bank’s gross loans and customer deposits as at 31 December 2011, 2012 and 2013:

	As at 31 December		
(€ in billions)	2011	2012	2013
Gross Loans	51.5	47.8	53.5
Customer Deposits	32.5	30.8	41.5

As at 31 December 2013, the Bank’s gross loans increased by 11.8 per cent. to €53.5 billion from €47.8 billion as at 31 December 2012. The Group’s gross loans as at 31 December 2012 decreased by 7.2 per cent. compared to 31 December 2011 (€51.5 billion).

The Bank’s customer deposits were €41.5 billion as at 31 December 2013, compared to €30.8 billion as at 31 December 2012. The Bank’s customer deposits in Greece amounted to €32.9 billion as at 31 December 2013, representing 18 per cent. of the Greek deposit market. The deposits related to the Bank’s international activities amounted to €8.6 billion as at 31 December 2013.

Mortgage loans increased by 33.4 per cent. and amounted to €18,980 million as at 31 December 2013, compared to €14,221 million as at 31 December 2012. Consumer loans increased by 15 per cent. and amounted to €7,341 million as at 31 December 2013, compared to €6,378 million as at 31 December 2012.

As at 31 December 2013, wholesale lending amounted to €19,748 million and represented 36.9 per cent, of the Bank's gross loan portfolio.

As at 31 December 2013, loans from international activities amounted to €8,546 million. The loan-to-deposit ratio of the Group improved to 109.8 per cent. as at 31 December 2013, compared to 140.4 per cent, as at 31 December 2012 and 148.2 per cent. as at 31 December 2011.

The Group's 90dpd ratio stood at 29.4 per cent. as at 31 December 2013, compared to 22.8 per cent. as at 31 December 2012 and 15.7 per cent. as at 31 December 2011.

As at 31 December 2013, the coverage ratio of loans more than 90 days past due by cumulative provisions was 50.1 per cent., compared to 42.8 per cent. as at 31 December 2012 and 42.8 per cent. as at 31 December 2011. The improved coverage ratio from 2011 to 2013 is a result of the positive impact from the Acquisitions and Eurobank's increased provisions in the context of the Bank's policy to strengthen its balance sheet in response to the economic conditions. The Group's 90dpd ratio in Greece was 31.1 per cent. as at 31 December 2013, compared to 24.2 per cent. as at 31 December 2012 and 16.0 per cent. as at 31 December 2011.

The Bank's Operations

Retail Banking

Overview

Eurobank is one of the leading financial institutions in Greece with a significant role in the country's retail banking landscape, with over seven million deposit accounts, 536 branches and 885 ATMs as at 31 December 2013. The Bank offers its retail customers a broad range of deposit, loan and investment products and other retail banking products and services.

The Bank's current retail banking model is structured around its core customer segments, a multi-channel distribution platform and centralised, integrated product factories. The Bank's core segments cover households (which includes affluent individuals, salary earners and mass clients), as well as small businesses and professionals. The Bank's distribution platform includes a network of lean branches with segment-based relationship managers, direct channels (i.e., phone-banking, e-banking and m-banking), as well as third party distribution partners. Finally, the Bank's centralised product factories deliver the whole spectrum of retail banking products and services with a focus on customer-relevance and efficiency.

Eurobank has consistently differentiated itself against the competition primarily through its customer-driven innovation and excellence in customer service. The Bank's recent acquisition of New TT HPB combined with its dual brand strategy will enable it to further focus and penetrate the mass segment and become a stronger retail bank.

In light of current economic conditions in Greece, the Bank has continued to follow a conservative credit expansion policy, through low-risk promotion channels, approaching customers selected based on strict criteria.

Demand for mortgage lending was negatively affected by the prolonged recession in economic activity, which resulted in consumers becoming increasingly reluctant to take out mortgage loans. The overall demand for consumer credit has remained limited, while the liquidity needs of retail entrepreneurs have proved robust.

Despite the low demand for credit, the Group maintained the level of lending to retail customers in Greece in 2013, having disbursed €70 million in mortgage loans and granted €115 million in new loans to small-sized enterprises, over 50 million of which in the last quarter of 2013. The Group's total retail lending portfolio in Greece amounted to approximately €29.5 billion as at 31 December 2013, compared to €23.6 billion as at 31 December 2012. Eurobank has offered alternative solutions and special repayment facilities to customers in substantial economic hardship.

Retail banking network

The retail banking network of Eurobank comprised 373 branches as at 31 December 2012 covering all regions of Greece and a significant portion of the population and 536 branches as at 31 December 2013 (including New TT HPB). The main objective of the Bank's retail banking network is to service and support the overall needs of individual customers, independent professionals and small businesses while serving the basic transactional needs of other customers. Three main customer segments have been identified and are being especially addressed and serviced, through dedicated officers: Personal Banking, Small Business Banking and Individual Banking.

Personal Banking captures the full potential of the affluent segment by implementing a client-centric model within the Bank's "branded" branch space through trained Relationship Managers who are accredited by the Bank of Greece.

In the Small Business client segment, significant synergies have been developed between Small Business and the affluent segment through the value-added project "Personal Business Banking", which covers (other than new officers) the professional and also the individual needs of the Bank's customers. All Small Business banking officers have been certified in Small Business Banking consulting.

Individual Banking currently addresses two million mass customers (84 per cent. of total Retail customers) by servicing their daily transactions, handling their savings and investment opportunities and covering their consumer, mortgage and bancassurance needs. Implementing a holistic customer approach and maintaining high-quality customer service, Individual Banking accepts and refers mass customers with higher business potential, which provides the main source of future Personal Banking and/or Small Business Banking customers.

In order to enhance the quality of transaction services and overall customer experience, Retail Network is supported by the Branch Network Customer Experience and Retail Transaction Banking Departments.

The Bank's Branch Network Customer Experience focuses on improving customer satisfaction, building strong relationships with customers and increasing customer loyalty. Branch Network Customer Experience continuously offers high levels of service and customers regularly identify the service provided by branch staff and the relationships built as the primary component for their loyalty to the Bank.

Retail Transaction Banking specialises in developing and enhancing transactional banking services across all channels and segments with the goal of increasing fees from daily transactions.

In addition to providing specific products and services for each customer segment, Eurobank is one of the main Greek bancassurers. Bancassurance activity is fully integrated in the Bank's product portfolio offering. Despite the continuous decline through 2013 of consumers' disposable income, Eurobank's written premia increased by 2.6 per cent., proving that bancassurance is a valid part of retail customer needs.

Consumer loans

The Group's consumer loan portfolio in the Greek market, including car loans, stood at €4.4 billion of outstanding balance as at 31 December 2013.

During 2013 Eurobank continued to promote consumer loan products through tailored promotional activities directed both towards existing customers (depositors and property owners with a history of mutually beneficial cooperation with the Bank) and selected new customers, with a view primarily to maintain credit risk at low levels. In this context and through a “Risk & Value Based Pricing” policy that offers more favourable and customised pricing to low credit risk customers, the Bank has managed to maintain lending at a stable rate throughout 2013, under adverse economic conditions, and at the same time attract customers with a good credit profile.

The Bank has also continued its efforts to support existing customers who seek to improve their overall repayment ability by offering a number of customised debt consolidation programmes or settlement schemes that take account of each customer’s financial circumstances, while at the same time protecting the interests of the Bank.

Going forward, the Bank’s strategy in the consumer loans business is to focus on purpose-specific and consolidation loans, while implementing a sophisticated multichannel sales approach for both existing and prospective clients.

Mortgage loans

The prolonged economic crisis has severely affected the property market, resulting in a significant decrease in the number of new mortgage loans. Within this context, Eurobank managed to play a leading role in this market in 2013, with total mortgage lending disbursements of €70 million.

The Group’s mortgage loan portfolio balances in the Greek market amounted to €17.0 billion as at 31 December 2013.

Eurobank applies its customised “Risk & Value Based Pricing” policy in the sector of mortgage loans as well, which is designed to reward customers with a better credit profile and a broader relationship with the Bank. Particular emphasis is given to the pricing policies applied to certain customer groups with special characteristics, such as customers who have maintained their deposit or investment relationship with the Bank, as well as customers meeting certain other criteria, such as Group Sales customers and Personal and Private Banking customers. The pricing policies the Bank applies to these customer groups aim to preserve such customer groups in the Bank’s customer base and enhance their relationship and cooperation with the Bank. Going forward, the Bank is planning to maintain its market share in Mortgage Lending by placing an emphasis on Home Repair Loans and the affluent clients segment.

Green loans

Since 2009, the Bank has successfully established a leading position in the market segment of green loans to retail customers through two basic categories of financing: (a) Purchase and Installation of Home Photovoltaic Systems and (b) home energy through “Saving At Home”, a government-subsidised programme. Eurobank is one of the four banks that participate in the programme.

Since 2009, the Bank has granted loans of more than €140 million corresponding to approximately 11,000 customers of very good behaviour. The “Green Housing Loan” portfolio amounted to €118 million as at 31 December 2013.

Credit, debit and prepaid cards and acceptance services

Eurobank offers a wide variety of products in the credit, debit and prepaid cards market. The total number of cards (credit, debit and prepaid) offered by the Bank amounted to €2.4 billion for the year ended 31 December 2013, and the total turnover (purchases and cash withdrawals) was €1.2 billion for the year ended 31 December 2013. The Bank’s total credit card balances in the Greek market stood at €1.6 billion as at 31 December 2013.

The Bank’s primary strategy for its credit cards issuing business is to focus on major co-brand partnerships and capitalise on the growth potential of its well-established loyalty programme. Thus,

the Bank currently offers some of the most powerful co-brand schemes in the Greek market, providing customised rewards to customers according to their needs, in collaboration with Greece's number one telephone provider (OTE), number one mobile telecommunications provider (Cosmote) number one gas retailer (EKO) and the developer of the three largest shopping malls. Further, with a view to maintaining and satisfying its customers, the Bank has significantly enhanced its card loyalty scheme "Epistrofi" that now comprises more than 5,000 merchants, constituting the most advanced and widespread card loyalty scheme in the Greek market. Since 2012, the programme is accompanied by "Epistrofi app", a pioneer smartphone application that offers a comprehensive tool to users for information and offer searching. The programme's 11 strategic partners hold leading positions in their respective industries with broad national networks covering almost all consumer needs. As a result of the above, the programme's recognition has impressively increased, greatly affecting customer loyalty.

The Bank has also undertaken a number of actions intended to rationalise its portfolio and further improve the services offered to its customers, including replacing inactive products with others offering greater value both to the customer and to the Bank, reducing credit card limits for inactive customers and sending targeted messages to selected recipients through an upgrade of the monthly statements that customers receive. In addition, further emphasis was placed on using the Bank's client base for cross-selling to existing creditworthy customers.

Responding to customers' tendency to increase debit card usage in points-of-sale ("POS") terminals, the Bank designed the most sophisticated tool compared to any other in the Greek market. Eurobank's debit card can be instantly obtained, has contactless functionality and rewards the customer through the "Epistrofi" loyalty scheme.

The Bank's card transactions acceptance and clearance services ("Acquiring Services") comprise approximately 40,000 physical POS, together with a network of more than 3,500 e-commerce associates. In 2013, the Bank's total Acquiring Services turnover was €1.9 billion, an increase of 13 per cent. compared to 2012.

In the context of reducing infrastructure costs for Acquiring Services, Eurobank and Alpha Bank, through the "Cardlink" project, have consolidated their POS terminals into a common terminal so that the new terminal can serve the transactions of both banks and the largest international payment systems (such as Visa, MasterCard, American Express and Diners Club).

The Bank aims to remain aligned with its strategic focus on the "Travel & Entertainment" industry and take advantage of increasing international volumes. Moreover, emphasis will be placed on launching card acceptance initiatives in areas without terminals.

Finally, by utilising pioneer technologies, the Bank owns a card portfolio that carries the "Chip & PIN" functionality, whilst in 2012 introduced contactless transactions for the first time in Greece. As a result, the Bank managed to apply the most technologically advanced electronic payment methods to its credit and debit card offerings as well as to its card acceptance terminals. Already, 100,000 cards carry the contactless functionality and can be used for payment transactions in 4,000 acceptance points across the Greek market.

Small Business Banking

Despite the competition in the Greek market for loan financing of small businesses and professionals (with an annual turnover of up to €2.5 million). Eurobank remains one of the largest banks in the small business lending sector in Greece, with a loan portfolio of approximately €6.5 billion and 218,000 clients as at 31 December 2012 and €6.5 billion and 237,000 clients as at 31 December 2013 (including New TT HPB and New Proton Bank portfolios and clients). The Bank maintains its strong position through continually seeking to enhance its customer base and increasing its cross-selling operations.

Eurobank's products and services in this sector include: working capital, finance for business equipment and premises, leasing, factoring, post-dated cheques financing, cheque books issuance, commercial transaction services, letters of guarantee, insurance, deposit products and overdraft facilities. The Bank also offers the dedicated Eurobank Business Debit MasterCard. Eurobank customers have the option to fully manage their banking needs online with the Bank's e-banking service.

New financing to small businesses and professionals in 2012 exceeded €900 million through new loans, existing lines of credit and post-dated cheque financing. In 2013, financing to small businesses and professionals totalled over €750 million. In 2013, the Group continued its collaboration with the European Investment Bank and the Hellenic Fund for Entrepreneurship and Development, which provides low-interest loans to small businesses and professionals. As at 31 December 2013, Eurobank held the leading position in the total financing provided through ETEAN's "Entrepreneurship Fund" program ("ΤΕΧΙΠ- Επιχειρηματική Επανεκκίνηση"-a co-funding initiative by ETEAN and Eurobank with zero interest applied for the 50 per cent. of funding provided by ETEAN) and "Credit Guarantee" program for Small and Medium Enterprises ("ΤΕΧΙΠ-Εγγυοδοσία"—where ETEAN guarantees a part of the funding to help enable access to financing). Eurobank also signed an exclusive cooperation agreement with the EIF for the new Jeremie programme ensuring additional financing of €58 million. The Jeremie programme is a co-investment funding initiative by the European Investment Fund and Eurobank with zero interest for 50 per cent. of the loans procured by EIF to finance working capital needs and investment projects for small businesses.

In the context of the trend in the Greek banking market towards more competitive sectors, the Group has placed particular focus on the tourist sector, providing customised bundles of services, and on small exporters, offering products aimed at ensuring transactional speed and security, as well as promoting small exporter customers internationally through the Group's "Exportgate.gr" and "Go International" initiatives. Exportgate.gr is an internet portal for the promotion and linkage of Greek exporters to international markets. Through this portal the Bank's clients may internationally promote their products and services, access the most updated electronic libraries and electronically execute all transactions. Go International is a series of business meetings organised by the Bank in the various countries it operates, bringing together Greek businessmen with their local counterparts and relevant local institutions. For the year ended 31 December 2013, export volumes realised through Small Business Banking increased by 130 per cent. from the year ended 31 December 2012, compared to a 3 per cent. year-on-year increase for the entire Greek market. In addition to serving as a provider of liquidity, the Group has also improved the electronic environment for business transactions. The promotion of e-banking led to a year-on-year increase in customers of 12 per cent. in December 2013, as users benefitted from lower costs, while the Eurobank Business Debit Card was upgraded to MasterCard, ensuring its broader acceptance. In 2012 Eurobank also launched the "Professional Account", a new composite instrument incorporating applications for conducting all business banking transactions with no financial burden to the customer. In 2013, sight account balances showed an increase of 23 per cent. from 2012.

Eurobank's objective remains the retention of a high portfolio quality at all customer service stages. In 2013 an additional €295 million in lending to small businesses and professionals was secured with pre-notations, raising the portfolio to a 97 per cent-secured level (74 per cent. covered primarily via financial collaterals and pre-notations). In 2010 the Bank introduced an early warning signal system allowing the timely detection of potential credit risk in currently non-delinquent customers. This system has now been incorporated in all procedures.

Deposit products

Acquiring client deposits is one of the top priorities of the Bank. Retail customer deposits increased by 4.6 per cent. in 2013 while the individual deposits market decreased by 0.5 per cent. and at the same time funding costs have decreased significantly.

In 2013 a new customer-centric approach platform called “My own account” was launched which offers to the Bank’s clients the possibility to design their own deposit account based on their needs and preferred product features. More than 40,000 customers have opened an account with the Bank since launch of the platform and have selected one or more of the Bank’s innovative products and services.

Eurobank is supporting the Greek economy and companies in the tourism industry. In order to support businesses which operate in the areas focused and linked to tourism, Eurobank created a specific package addressing enterprises spread all over Greece to boost their returns and reward them for selecting the Bank as their main collaborative partner.

During 2013 more than 60,000 new retail customers deposited their savings with Eurobank in Greece, by opening “Megalo Tamieftirio” (“Big Savings”) accounts. Stressing the importance of saving as a new way of life, the Bank continues supporting clients who make the extra effort to save by providing incentives to regular savers.

A big number of new customers were attracted by Epistrofi, the Bank’s card loyalty scheme, which is offered to the Bank’s deposit accounts through debit card usage. All deposit accounts provide additional value to the Bank’s clients’ deposits by rewarding them for using their transactions debit card instead of cash while they perform their everyday shopping. Debit card transactions during 2013 increased by 70 per cent. compared to 2012.

Listening to Eurobank’s clients’ needs for flexibility and reward, Eurobank created a time deposit product “Yper sas (For your Benefit)” aiming to offer a combination of characteristics that best match each client’s need with regards to maturity and even the option to increase the initial capital during the time deposit’s tenor.

Group sales

Group Sales play an important role in the Bank’s strategy and is one of the main sources of attracting new customers and developing existing customers under the principles of “track the customers’ income, capture the customers’ spending”. Group Sales aims to maximise non-consuming capital income, increase profitability/customers, enhance loyalty and provide a unique customer experience by taking advantage of the Bank’s competitive strengths (customer service quality, product solutions, tradition and trust). To achieve this, Eurobank has developed both a B2B and a B2C approach.

For the B2B approach, Eurobank offers Payroll and HR outsourcing services through its subsidiary Eurobank Business Services S.A., the leading company in the Greek market in the field of payroll processing and HR outsourcing, with more than 520 customers and 36,000 employees. Eurobank Business Services S.A. offers payroll processing and HR administration services (BPaaS) as a holistic outsourced payroll process solution, payroll software (SaaS) for customers desiring an in-house solution, as well as consulting services in labour law and tax. Moreover, Eurobank Business Services S.A. supports the monthly pension calculation of 25,000 retirees.

In the B2C field, Eurobank has developed the “Privileged Payroll Account” (“PPA”), a special payroll package for employees who receive their payroll through the Bank. Bundling several products and services, the PPA offers the Bank’s customer benefits and privileges in all key banking products and services. The PPA is properly segmented so as to reflect the Group’s strategic priorities while taking advantage of the Bank’s strategic initiatives approach developed for public sector employees and pensioners. As at 31 December 2013, the Bank’s total client base exceeded 10,000 companies and 450,000 customers (out of which 210,000 are private sector employees, 105,000 are public sector and 130,000 are retirees).

Financial Planning Services (“FPS”)

As remedial management has increased in importance for Household Lending in recent years, significant investments have been made to develop expertise in the area and to introduce advanced technology systems to help improve management of delinquencies.

Eurobank established a wholly owned subsidiary, FPS, in 2006, dedicated exclusively to remedial management for past-due Consumer and Mortgage loans, which was founded on international best practices. FPS (in coordination with the Household Lending Unit) is responsible for end-to-end delinquency management activities (i.e., collections, loan rescheduling and legal actions) from remedial strategy development to integrated multi-channel implementation (through the branch network, legal offices, bailiffs and call centres). Moreover, it offers a very high degree of automation and a flexible structure that allows for scalability to effectively handle large volumes of loans.

Corporate & Investment Banking

The main objective of Corporate & Investment Banking (“CIB”) is to provide fully integrated business solutions to very large and complex corporate clients. Recently restructured internally to better address the needs of the Bank’s corporate client base in a challenging business environment, the basic pillars of the Bank’s Corporate & Investment Banking business model are the following:

1. Global Corporate Clients

Global Corporate Clients (“GCC”) is responsible for covering the rising and complex strategic, financial, structuring and banking needs of very large and sophisticated corporate clients, private concerns as well as major enterprises in Southeastern Europe. GCC serves as the main point of contact for the provision of all financial solutions and products included in the Bank’s portfolio. In total, the portfolio consists of more than 80 groups in Greece and is mainly focused on the energy, industrials, consumer and retail, services, health and construction sectors. The lending portfolio amounted to approximately €3.7 billion in 2013. In addition to its autonomous presence in Greece, GCC has also undertaken to manage major clients in association with specialised teams in the Group’s subsidiary banks in Romania, Serbia and Bulgaria, having arranged several landmark transactions over the last few years.

2. Structured Finance

Structured Finance is responsible for providing specialised and specially structured financing and operates as a centre of expertise for all the countries of SEE where the Group has a presence. Structured Finance has three units, offering full and integrated services in the following areas:

Project Finance

Project Finance provides a broad range of services, primarily involving financial consulting and the structuring and arrangement of complex financing for major infrastructure and energy projects in Greece and the countries of SEE, as well as public private partnerships (PPPs), and monitoring the relevant portfolio. Since 2005, Project Finance has arranged transactions worth approximately €3 billion, although the unit’s own portfolio has never exceeded €250 million. A material part of this portfolio, which has been allocated to the Greek Motorway’s Concession Projects, has been significantly upgraded following the successful restructurings concluded in December 2013, during which the Project Finance team participated in three out of four Steering Committees.

Commercial Real Estate Finance

Commercial Real Estate Finance provides financial consulting services and the structuring and arrangement of complex financing transactions for all kinds of major commercial real estate (office, retail, mixed use). The unit is responsible for the Group’s commercial real estate finance portfolio in Greece and in the countries of SEE and for financing in excess of €20 million. Over the last six years,

the unit has co-arranged 13 financings in four countries. The unit's portfolio aggregates loans with a total value of approximately €750 million. The unit also provides real estate financial advisory services on a case-by-case basis, such as advising the Hellenic Republic Asset Development Fund on the monetisation aspect of its real estate portfolio through a sale and leaseback transaction.

Leverage Finance and Special Situations

Leverage Finance and Special Situations is responsible for the structuring and arrangement of complex leverage finance transactions (LBOs, Public to Private, Pre-IPO financing, special cases of structured financing), and for managing relations with specialist investment capital companies (Private Equity and Special Situation Funds). The unit is responsible for the Bank's Leverage Finance portfolio in Greece and SEE, which despite Eurobank's leadership in arranging transactions in fee-generating businesses, is currently valued at approximately €100 million. Due to its structuring know-how and capabilities, the unit undertakes to support as an internal advisory department some of the most demanding and complex cases of loan restructuring in Greece and the other countries where the Group operates.

3. Loan Syndications & Debt Capital Markets

Loan Syndications & Debt Capital Markets is responsible for arranging and implementing a broad range of specialised and highly structured financing deals. The unit undertakes the role of lead arranger for corporate syndicated loans/bond loans, convertible bonds and exchangeable bonds (in cooperation with Treasury and/or Investment Banking), holding a leading position in the syndicated loan market in Greece and acting as mandated lead arranger and coordinator in some of the most prominent transactions. In the last four years, Eurobank has arranged more than 65 transactions, raising over €14 billion of debt financing overall. The unit is also responsible for secondary loan trading, reinforcing the position of Eurobank in the European markets and assisting in optimising the quality of its lending portfolio. In the last five years, Eurobank's Secondary Loan trading platform has traded over €450 million of loans and loan portfolios.

4. Investment Banking and Principal Capital Strategies

Eurobank Equities offers M&A and ECM advisory services to a wide range of corporate clients and private equity firms. In 2012 and 2013, the Investment Banking (IB) Unit of Eurobank Equities participated in a number of important M&A and ECM transactions. In particular, in 2013, the IB unit in its capacity as financial advisor to Hellenic Republic Asset Development Fund (HRADF) completed important transactions, such as the privatisation of the state lotteries, in which it acted in partnership with Credit Suisse, and the sale of two key real estate properties, Kassiopi in Corfu and Paliouri in Chalidiki, while continuing to be engaged as an advisor to the privatisation of the Athens Water Supply and Sewerage Company, Thessaloniki Water and Sewerage Company, and the Regional Airports. Furthermore, during 2013 the IB unit was engaged as advisor in a number of significant transactions in the private sector, such as advising OPAP S.A. on its privatisation, Eurobank Properties on the formation of a strategic alliance of Eurobank with Fairfax, ATEbank S.A. on the sale of the Hellenic Sugar Industry S.A., the Board of Directors of Athens Medical Center and of Geniki Bank S.A. on the tender offers launched by their largest shareholder respectively and Tiletypos S.A. and Attica Bank S.A. on their share capital increases.

5. Shipping

The Shipping business unit finances shipping companies with an established presence either as private family companies (approximately 50 borrowing groups) or as parent companies listed on the stock exchange (6 borrowing groups). Shipping finance is extended solely to companies representing Greek interests with large or medium fleets, primarily in connection with the financing of purchases of second-hand vessels (and less frequently) newly constructed vessels employed in transporting dry bulk cargo, liquid cargo and containers.

The Shipping unit's primary strategic objective is to develop the Group's position in the Greek shipping market as a strategic player, extending financing under conservative terms using a full range of products and services. The Group's 20 years of coverage of the Greek shipping sector has enabled us to establish a large deposit base (USD 1.3 billion as at 31 December 2013), which, despite losses due to sovereign risks exposure, continues to exceed the total of its shipping loans (USD 1.15 billion as at 31 December 2013). In collaboration with other Eurobank teams (Treasury, Private Banking, Investment Banking, Structured Finance, Mortgage Lending), the specialised Shipping unit offers comprehensive services in the areas of corporate and private wealth management. The Group seeks to maintain the high credit quality of its shipping portfolio, further developing its long-standing relationships with its core client base and entering into new client relationships.

Commercial Banking

The main objective of Commercial Banking has been to maintain the quality of the portfolio, mainly through consecutive client revaluations and pledging of additional real estate collaterals allowing the collateral base to preserve its nominal value despite the decline in real estate market prices. As evidence of its commitment to portfolio quality preservation, Commercial Banking also implemented a programme of proactive reschedulings and restructurings at a total of €1.9 billion by the end of 2013, while collaborating with the Bank's Risk Management team with respect to the formation of adequate provisions against potential future delinquencies. Special emphasis has also been placed on the use of Return on Tied Equity (EVA, RAROC) in relationship management.

Being a very active partner of its clients, Commercial Banking has taken a number of initiatives and launched campaigns aiming to enhance their business potential and, by extension, support the Greek economy since the last quarter of 2012.

Initiatives and campaigns include: (1) Greek Exporters Support Initiative, (2) Financing of Raw Materials and Intermediate Goods, (3) Tourism Sector Support Initiative and (4) Medium Sized (Viable) Businesses Support Initiative.

Furthermore, Commercial Banking extended jointly with ECB new credit facilities totalling €73 million to SMEs and local authorities in 2013. In addition, the Bank aims to provide additional funding of approximately €200 million to Greek companies through joint financing programs such as EIB, TEPIX and ETEAN in 2014.

Internationally, Commercial Banking has made an active contribution through utilisation of a €540 million subsidised programme by the EIB, EBRD and IFC. The focus of this programme is on additional financing for medium-sized and large businesses in Romania, Bulgaria and Serbia.

Commercial Banking has recently undergone extensive internal restructuring that is expected to have a positive impact on credit quality, client service and cost efficiency. As a result, Commercial Banking comprises the following major business divisions:

Central Commercial Banking

Central Commercial Banking is responsible for the relationship development and servicing of the largest clients within Commercial Banking. The main objective of Eurobank with respect to this particular client segment is to provide integrated business solutions responding to complex funding and transactional needs, to offer products and solutions against credit risk, as well as to meet client needs for investment management. Eurobank's main products in this area include Capex and Opex financing, structured financing, derivative products against interest rate and exchange rate risk, as well as leasing for all asset categories. Also, in cooperation with Corporate Transaction Banking, specialised services are offered to clients such as factoring, trade services and cash and liquidity management. Through its specialised units, Eurobank arranges, manages or participates in syndicated loans and provides advice on mergers and acquisitions.

Commercial Banking Network for (Medium Sized) Businesses

The Commercial Banking Network for (Medium Sized) Businesses provides services through 19 business centres, with specialised Relationship Managers. Loan administration support for this network is provided through three regional centres in the Athens, Salonica and Crete regions. Despite the adverse economic situation, Eurobank's Commercial Banking Network has supported domestic businesses through specific initiatives:

- Proactive financial restructuring for viable companies;
- Programmes to support export-oriented businesses;
- Reward scheme for responsible SMEs with reciprocal benefits; and
- Active participation in co-financing Programmes with EIB and EBRD.

At the same time, it has sustained its efforts to implement the strategy of the last few years, concerning:

- Re-pricing of loans to market conditions, based on credit risk, funding cost and tied equity; and
- Monitoring credit risk closely through frequent portfolio evaluations in terms of client creditworthiness, reassessments of pledged assets and monitoring of delinquencies.

During the last three years, strong efforts to retain deposits, mainly by attracting the main sight account of SME clients, took place. Clients have been offered inducements in the form of new deposits as well as transaction products and services, in association with Corporate Transaction Banking and the Bank's subsidiaries Eurobank Leasing and Eurobank Factors.

Hotels and Leisure

Hotels and Leisure is a newly established expert unit aiming to provide integrated services and meet the specialised needs of corporate clients in the hotel industry, accounting for 15 per cent. of the Commercial Banking portfolio. This new unit's strategy is to capitalise on the strong fundamentals and macroeconomic trends of the hotel sector in order to improve the cash flow of the existing portfolio and assets, but also to pursue selective investments on the basis of strong cash flow and premium collaterals. Hotels and Leisure will also act as an integrated business advisor to Greek hoteliers, offering expertise on revenue management, strategic cooperations with international hotel companies and cost-effective operations. The Bank is strategically positioned in the largest hotel groups that collaborate with the top international tour operators. Currently, 80 per cent. of the Bank's exposure pertains to the 30 largest Greek hotel groups (160 medium/large resorts).

Over 85 per cent. of the hotels that receive financing are located at the three most popular holiday destinations for international tourists in Greece: Crete (40 per cent.), Rhodes (28 per cent.) and Kos (18 per cent.).

Leasing

Eurobank Leasing, a 100 per cent. subsidiary of Eurobank, is the largest Greek leasing company (financier of assets—mainly real estate) for the last 10 consecutive years, with a market share of approximately 21 per cent.. The Bank's strength is attributed to Eurobank Leasing's professional expertise and a profound knowledge of the Greek market. Eurobank Leasing acts as the leasing product centre for Eurobank clients and underwriting is approved by Eurobank's approving bodies.

Amidst the current adversarial economic conditions, Eurobank Leasing has consistently supported Eurobank clients participating in restructuring schemes for viable clients and other remedial activities and providing them with innovative solutions.

For the past three years, a primary emphasis of Eurobank Leasing has been safeguarding the value of the portfolio, predominantly in commercial real estate which represents the dominant asset in the loans book. During the last two years, the specially assigned project board successfully completed the technical evaluation and is currently progressing the settlement of all leased real estate within the provisions of the new relevant legislation.

Focusing on optimising internal operations and by capitalising on best practices used in the sector, Eurobank Leasing launched and concluded a series of initiatives and actions to reinforce mechanisms and procedures for management of fixed assets and to rationalise the workings of its organisational structure.

Corporate Special Handling

Corporate Special Handling Sector (CSHS) is a newly established team of experts aiming at reinforcing the corporate remedial capabilities of the Bank through a more integrated approach, proactive management and industry-specific expertise.

CSHS will assume the direct management of the high risk corporate clients that will be gradually transferred from other GCIB Units, in order to maximise value extraction from high risk loans through effective restructuring.

CSHS will be able to combine the Bank's resources and know-how and introduce a framework to allow for more structured processes and decision making with regards to optimal rescheduling/restructuring solutions, based on the assessment of viability of the debt levels of each client. More specifically, the establishment of the CSHS will allow:

- accumulation of the necessary know-how in the relevant teams;
- establishment of processes to engage internal (i.e., from other units) or external experts where required;
- separate monitoring of such troubled clients;
- build-up of industry expertise within the CSHS;
- modification of the credit approval process with regards to the specific needs of this portfolio; and
- freeing-up of capacity in the rest of the organisation to properly serve current clients and pursue business development.

Corporate Transaction Banking

In 2008, in order to offer a comprehensive response to the specialised needs of its corporate clients in the management of their transaction cycle in a global environment, Eurobank set up its Group Corporate Transaction Banking Sector (CTB), which functions as a one-stop shop for services

involving receipt of payments, outgoing payments, liquidity management, import/export services, structured trade financing and factoring. CTB also offers end-to-end support to Greek exporters through the “Ask the Experts” team and Exportgate.gr, an innovative online portal that facilitates networking of Greek exporters with international buyers. In order to provide a better service for businesses at local and international levels, Eurobank operates using a regional model, with local CTB units in Greece, Romania, Bulgaria, Serbia and Cyprus, all centrally coordinated from Greece.

CTB has built strong trust relations with its clients as proven by receiving the Best Domestic Cash Manager 2013 award in Greece for the third consecutive time from Euromoney, the Best Trade Finance Bank 2012 award in Greece for the seventh consecutive year from Global Finance and the Best Corporate/Institutional Internet Bank for 2013 for the second consecutive year from Global Finance.

Factoring

The Bank’s factoring subsidiary, Eurobank Factors SA, is the leading factoring company in Greece and a twice worldwide winner of Best Export-Import Factor Award (2009 and 2011). A key element of the Group’s success has been its careful approach to risk management, given the particularly difficult business environment, the creation of pioneering financial instruments, such as reverse factoring, and the development of collaborations and products designed to strengthen the export activities of Greek businesses.

The Group also has a record of factoring in Bulgaria, Romania and Serbia.

Capital Markets & Wealth Management

The Group offers its clients a wide range of wealth management services, as well as access to global capital markets. These services include private investments, advisory services, brokerage services, portfolio management, asset management and research services in Greece and Southeastern Europe.

Capital Markets

Eurobank Equities

Eurobank Equities, incorporated in February 1999, is the Bank’s brokerage arm and provides a full range of brokerage services to over 30,000 private, corporate and institutional clients in Greece and abroad. The Bank’s brokerage arm has a leading position in the Greek market and, in 2013, ranked first with a 15.6 per cent. market share in terms of value of transactions on the ATHEX.

The Institutional Sales desk of Eurobank Equities covers some of the largest Greek and international institutional clients investing in Greek equities and derivatives and provides valuable local insight and investment advice. The desk is supported by five senior equity analysts covering 29 ATHEX-listed companies. The research team was ranked first in the 2013 Extel survey and some of the Bank’s analysts were top-rated in their respective sector.

Through a wide sales network, Eurobank Equities also maintains a leading position among private clients, offering access to both Greek and international markets via a broker or an electronic platform. Finally, as a market leader, Eurobank Equities provides liquidity to 15 stocks and 34 derivative products using state-of-the-art technology.

Treasury Services

The Global Markets division is engaged in four primary categories of activities: sales of products to corporate, institutional, retail and private banking clients; taking of investment positions; management of the local banking books; and liquidity management. The Global Markets division is organised based on a centralised model based in Greece where all positions and risks are consolidated and

offers an integrated approach to Greece and the countries of Southeastern Europe in which the Group operates. In each country, treasury operations are standardised and report directly to Athens.

The strategic objective of the Global Markets division is to establish a significant regional presence in the areas of foreign exchange, interest rate, fixed income and derivatives trading and sales of financial and investment products in the markets in which the Group operates.

The Group sets strict limits for transactions that it enters into on its own behalf, which are monitored on a daily basis by the Risk Management division. The limits include exposures towards individual counterparties (in accordance with the evaluation of the credit risk of the particular counterparty), country exposures and concentration limits, as well as control of Value at Risk (VaR). The Group uses an automated transaction control system, which supports the dealing room in its monitoring and management of Group positions and exposures. The Group has also developed a support platform for asset management, which is continually upgraded.

In 2013, the Group was ranked third among a total of 20 dealers in the primary and secondary Greek sovereign bond market, according to the Bank of Greece. The Group is also an ESM market group member among 44 international institutions.

The Group is also actively engaged in trading in interest rate derivatives traded on various stock exchanges and bond derivatives traded on EUREX, as well as the trading of bonds through EuroMTS and other platforms. The Group's trading activities also include trading in corporate bonds in western Europe, as well as government bonds in foreign or local currency on the local markets of Southeastern Europe. It is also developing capabilities in the primary and secondary trading of government bonds through its subsidiaries in the countries of Southeastern Europe.

Securities Services

The Group has built a strategic position in the securities services business since 1992. The Group's success in this area has been driven primarily by its long-standing commitment to high service standards and the provision of customised services, allowing the Group to offer a full range of post-trading services both in Greece and in SEE. With direct access to local securities infrastructure, the Group offers a comprehensive "one-stop shop" solution to support clients in their investment activity in Greece, Bulgaria, Romania, Serbia, Cyprus and Luxembourg.

Eurobank is the only provider in Greece to offer a full range of products, including local and global custody, issuer services, derivatives clearing, margin lending, middle-office services and funds services, to both local and foreign investors, across all type of instruments.

The quality of the Bank's regional securities services offering is internationally recognised by specialised industry magazines such as "Global Custodian" and "Global Finance", which have annually recognised Eurobank's leading market position.

Interbank Relations and Payment Services

The Group is the only bank in Greece with centralised payment services, enabling cost-effective payments execution and optimal cash management solutions. The Bank's payment services are ISO 9001:2008 certified and were recognised with the 2013 Citi Performance Excellence Award for global electronic payments leadership and excellence, as well as Deutsche Bank's International Award for Exceptional Quality in international payments in USD and Euros.

Wealth Management

Asset Management

The Group provides asset management services in Greece and abroad through its subsidiary Eurobank Asset Management. Eurobank Asset Management has held the leading position in the Greek mutual fund market since 2008. As at 31 December 2013, Eurobank Asset Management had

a market share of 26.5 per cent. in the mutual funds market, with €2.9 billion in total assets under management, consisting of €1.681 billion in 67 mutual funds, €698 million in institutional segregated managed accounts and €540 million under advice in mutual funds of 14 internationally recognised fund managers.

Through Eurobank Fund Management Co. (LUX) SA., one of the Group's subsidiaries in Luxembourg, the Group offers a wide variety of mutual funds under the brands Eurobank (LF) Funds and Eurobank (LF) Funds of Funds. Eurobank (LF) Funds and Eurobank (LF) Funds of Funds mutual funds are distributed in Romania, Bulgaria, Cyprus, Greece and Luxembourg.

The mutual funds offered by the Group cover a broad range of investment options and provide access to capital and money markets in Greece and abroad. Investments in these mutual funds are primarily in the equity and debt markets of Greece, Europe, the United States and Asia, as well as emerging markets, satisfying a diverse range of investment profiles.

As at 31 December 2013, Eurobank Asset Management MFMC managed 15 segregated accounts with total assets under management of more than €690 million, of which 12 were institutional portfolios with assets under management of more than €500 million, and approximately 430 discretionary asset management portfolios with assets under management of more than €180 million.

Insurance

In Greece, the Group offers products and services across most classes of life and property and casualty insurance to over 430,000 customers. In 2013, the Group ranked third in terms of market share of total insurance premia in Greece. The Group distributes insurance products mainly through the Eurobank branch network, as well as through cooperation with more than 1,400 intermediaries across Greece. The Group is also active in the Romanian bank assurance market, where the Group expects to grow in the future.

Private Banking

The gradual improvement of investor sentiment in Greece and the overall recovery of the peripheral European markets in 2013 and global markets resulted in a shift in investment appetite away from risk-free assets. The Group continued its efforts in further enhancing the Bank's Private Banking platform by introducing services that further mitigate country and credit risks for the Bank's clients, such as the new External Asset Management account under the Bank's Advisory offering. Furthermore, the structure of various product factories within the Group was further streamlined with the formation of the Wealth Management Group, in an effort to enhance the seamless provision of high quality investment products and services to Private Banking clients. To this end, the Bank also obtained a certification for quality assurance regarding the Bank's internal processes according to ISO 9001:2008 standards from the accredited body TÜV Hellas, a subsidiary of TÜV Nord Group.

International Operations

The Group has established a strong regional presence that includes Member States in the euro area (Cyprus, Luxembourg), EU member states (Romania and Bulgaria), one EU candidate state (Serbia) and Ukraine. As at 31 December 2013, the Group's international operations accounted for total loans and advances to customers amounting to €8.5 billion, total deposits of €8.6 billion, 541 branches and 34 business centres. A key priority of the Group is to support dynamic businesses and households in these countries, thereby confirming its systemic role in this broader region.

The Group's operations in countries of Central, Eastern and Southeastern Europe were affected by the weak economic performance of Southeastern European countries, which worsened in the second half of 2012 and affected the results of the entire year. The results from International Operations were a net loss of €26.1 million before one-offs (€107.4 million after one-offs) for the year ended 31 December 2013 and a net loss of €56.1 million for the year ended 31 December 2012.

The Group continues to support the economies of the wider region through its participation in the “Vienna Initiative”, which has formed working groups to address specific issues, such as the faster absorption of funds from various sources, the strengthening of local currencies through their more extensive use in loans, the more effective management of bad debts and the impact of Basel III on the countries of Central, Eastern and Southeastern Europe, as well as placing the main banks of the European Union under the supervision of the European Central Bank together with the local central banks.

In addition, Eurobank continues its collaboration with international institutions, such as the EBRD, the IFC and the EIB for the channelling of loans through the Group’s subsidiary banks in Romania, Bulgaria and Serbia, with the aim of supporting small and medium-sized enterprises in the region. These arrangements have been supplemented with additional specialised trade finance facilities by the same institutions, and the Group’s participation in these initiatives represents a strategic choice to take full advantage of the opportunities offered internationally for supporting the economies and businesses of the region.

On 29 April 2014, the European Commission approved the Bank’s revised restructuring plan, which includes a commitment to reduce the Bank’s portfolio of foreign assets (defined as assets related to the activities of customers outside Greece, independently of the country where the assets are booked) to a maximum of €8.77 billion (subject to a further reduction to a maximum of €3.5 billion if the Bank receives additional state aid in excess of €1.0 billion) by 30 June 2018.

Romania

In Romania, the Group operates through its fully owned subsidiary Bancpost S.A. (“Bancpost”), which had 207 branches and 9 business centres as at 31 December 2013. As at the same date the Group in Romania had total gross loans of €2,709 million, of which 54 per cent. were retail and 46 per cent. were corporate, and total deposits of €1,875 million.

During 2010 to 2013, which have been difficult years for the Romanian economy, Bancpost responded to the challenge by seeking opportunities to support its clients, operations and subsequently the economy through the creation of new growth prospects. Furthermore, in an effort to boost the liquidity of businesses, the Group expanded its collaboration with local and international institutions such as the EBRD, the IFC and the EIB.

As at 31 December 2013, Bancpost’s capital adequacy ratio (regulatory capital over risk-weighted assets) was 15.94 per cent., significantly higher than the central bank floor of 10 per cent..

Since 2012, the Group has established an agricultural entrepreneurship bureau to promote credit products and solutions for the Romanian agricultural sector. Bancpost also implemented the “Fast Trade” e-platform for transactions in foreign currency for businesses, which offers a significant competitive advantage for both the Bank and its customers.

During the 2008–2012 period, the Group in Romania achieved a 27 per cent. reduction in operating costs. The decreasing trend in costs continued in 2013, resulting in a year-on-year reduction of 11 per cent. (operating costs for the year ended 31 December 2013 stood at €128.7 million, compared to €144.4 million for the same period in 2012).

Against the backdrop of adverse economic conditions in the last few years, Bancpost undertook important initiatives in credit risk management, such as applying the risk-based pricing model, and also focused on offering diversified restructuring and debt settlement products. As a result, provisions for the year ended 31 December 2013 stood at €125 million, approximately the same level as for the year ended 31 December 2012.

Bulgaria

In Bulgaria, the Group operates through its fully owned subsidiary Eurobank Bulgaria A.D. (“Eurobank Bulgaria”), known under its commercial brand name “Postbank”, which had 182 branches and 8 business centres as at 31 December 2013. As at 31 December 2013, the Group in Bulgaria had total gross loans of €2,607 million, of which 47 per cent. were retail and 53 per cent. were corporate, and total deposits of €2,299 million.

The last four years were difficult for the Bulgarian economy, the banking system remained stable, and the country entered a trajectory of gradual recovery. However, after the six months ended 30 June 2013, continuous political instability has been affecting the financial environment. Eurobank Bulgaria maintained its leading position by following a strategy based on the development of innovative and integrated products, placing an emphasis on quality while simultaneously enhancing its customer relations.

The capital adequacy of Postbank in 2013 remained at high levels, with a capital adequacy ratio (regulatory capital over risk-weighted assets) of 16.76 per cent. as at 31 December 2013, significantly higher than the central bank’s minimum requirement of 12 per cent., despite the adverse effects of the Greek crisis.

Eurobank Bulgaria was especially successful in attracting deposits, mainly from retail customers. The deposits level allowed Eurobank Bulgaria to be less dependent on capital markets, and improved further the loan to deposit ratio. The net loan to deposit ratio as at 31 December 2013 was 101 per cent., compared to 115 per cent. as at 31 December 2012.

Eurobank Bulgaria, in collaboration with the IFC, secured USD 20 million in financing, intended for the development and promotion of the trade operations of Bulgarian import/export enterprises. Eurobank Bulgaria also offered new loan products and factoring products to support small and medium-sized enterprises, while simultaneously providing appropriate restructuring solutions to customers facing financial distress.

Serbia

In Serbia, the Group operates through its fully owned subsidiary Eurobank A.D. Beograd (“Eurobank Beograd”), which had 99 branches and 8 business centres as at 31 December 2013. As at 31 December 2013, the Group in Serbia had total gross loans of €1,021 million, of which 38 per cent. were retail and 62 per cent. were corporate, and total deposits of €842 million.

Since its acquisition by the Group in 2003, Eurobank Beograd has had one of the highest asset growth rates, and is now a major player in Serbia’s banking system. Eurobank Beograd is ranked among the largest banks in Serbia. Eurobank Beograd is also a market leader in cash management and cooperates with the largest banks in the country in corporate banking.

Since 2012, Eurobank Beograd has partnered with international financial institutions, such as the IFC, EBRD and EIB, to support loans to domestic enterprises and companies. Also in 2012, Eurobank Beograd participated in the launch of the process for the first EUR/CHF currency swap agreement in the region with EBRD.

Eurobank Beograd was one of the first banks to offer, starting in early 2010, consumer loans with a fixed interest rate in local currency, offering customers stability and protection from exchange rate fluctuations. During 2013, Eurobank Beograd increased its market share in consumer lending while sustaining the asset quality of the portfolio.

In the past couple of years, Eurobank Beograd focused its lending activities on low credit risk sectors, with loans to large enterprises. The Group’s total costs in Serbia were reduced by 30 per cent. for the 2008–2012 period. This decreasing trend continued in 2013, with operating expenses of €50 million

for the year ended 31 December 2013, compared to €52 million for the year ended 31 December 2012, representing a 4.1 per cent. decrease.

Corporate social responsibility has been a key priority for Eurobank Beograd since its establishment, and its contributions to Serbian society have been acknowledged by the country's leadership. In recent years, Eurobank Beograd has donated €3.7 million to programs supporting education, the environment, culture and local communities. In 2012, Eurobank Beograd was recognised as the only financial organisation with a Corporate Social Responsibility Certificate from the National Alliance for Local Economic Development (NALED) of Serbia, in cooperation with the Balkan Community Initiative Fund and the Institute of Sustainable Communities (ISC).

Cyprus

In Cyprus, the Group operates through its subsidiary Eurobank Cyprus Ltd ("Eurobank Cyprus"), which had seven banking centres as at 31 December 2013.

In 2012, its fifth year of profitable operations, Eurobank Cyprus, which follows a wholesale banking strategy, provided services in the areas of corporate banking, international business banking, private banking and asset management. Despite the economic crisis which affected the Cypriot economy, Eurobank Cyprus achieved strong growth in 2012, with deposits increasing by 15 per cent. to €3.1 billion and loans increasing by 18 per cent. to €1.5 billion as at 31 December 2012 (compared to 31 December 2011). In 2012, Eurobank Cyprus expanded its network by opening two new branches in Paphos and Nicosia and investing in the development of human resources over the entire network, reaching in total seven banking centres, with the goal of further improving the services offered.

Following the Cypriot government's request for financial support from the IMF, the European Commission and the ECB, PIMCO was asked to evaluate the country's banking system, which included a diagnostic review of Cypriot banks (one of which was Eurobank Cyprus) in order to quantify the capital needs of each participating institution involved in the review. The review and due diligence were based on adverse macroeconomic scenarios for a period of three years starting from 30 June 2012. The results for Eurobank Cyprus, as announced in April 2013, showed that the Bank presented no capital requirements and had a surplus in both scenarios as follows: €328 million for the baseline and €345 million for the adverse scenario, respectively. Eurobank Cyprus was the only bank in Cyprus that presented no need for capital injections during the financial crisis.

As at 31 December 2013, Eurobank Cyprus had total assets of €3.7 billion, of which only €1.5 billion related to assets located in Cyprus. The capital base of Eurobank Cyprus amounted to €604 million, while the capital adequacy ratio as at 31 December 2013 was 45 per cent., which, combined with the good quality of the loan portfolio, ensured the liquidity position of Eurobank Cyprus against any future risks due to the debt crisis in Cyprus.

As at 31 December 2013, Eurobank Cyprus had deposits of €2.5 billion and loans of €1.1 billion, of which €0.5 billion is fully cash collateralised. Eurobank Cyprus maintains strong liquidity, with cash invested in low risk short-term investments outside Cyprus, amounting to €1.8 billion.

Ukraine

In Ukraine, the Group operates through its fully owned subsidiary Public J.S.C. Universal Bank, which had 53 branches and one business centre as at 31 December 2013.

Due to the current crisis in the region, necessary measures have been taken and relevant internal processes initiated to ensure the safety of the Bank's employees, assets and operations in close cooperation with the Central Bank of Ukraine and the Greek Government.

Western Europe

The Group is also active in the United Kingdom, with one branch in London. The London branch services companies with international activities, mainly in the countries of Central and Southeastern

Europe, as well as retail customers who require banking services in many countries. In Luxembourg, the Group has developed a significant presence in asset management through its subsidiary Eurobank Private Bank Luxembourg S.A. Through its Luxembourg subsidiary, the Group offers investment advisory services to businesses and retail customers, as well as custodian services to institutional investors.

Other activities

In addition to the products and services described above, the Bank is also engaged in the following activities, both in Greece and in the other countries in which Eurobank operates.

Real Estate

The Group's real estate subsidiary, Eurobank Properties, which is listed on ATHEX, is one of the largest real estate investment companies in Greece, with a high quality portfolio of investments in Greece and Eastern Europe.

As at 31 December 2013, Eurobank Properties' portfolio included 60 properties. Most of the portfolio properties are located in Greece, with 42 in the greater Athens area and 12 in other large cities in Greece, the remaining one being a plot in the Spata region. In Central and Eastern Europe, Eurobank Properties owns two commercial properties in Serbia and three in Romania.

As at 31 December 2013, the fair value of investments properties was €564 million. Eurobank Properties recorded profit after taxes compared to loss after tax for the year ended 31 December 2012. On 18 October 2013, Eurobank Properties was declared the preferred bidder by the Hellenic Republic Asset Development Fund for the acquisition of a portfolio of 14 assets. The price for the acquisition of the portfolio is €145.8 million. On 6 December 2013, Eurobank Properties signed the Head of Terms in relation to a five-year €60 million bilateral bond loan with HSBC Bank plc, London. Eurobank Properties will use the proceeds from the loan to partially finance the acquisition of this portfolio.

Through Eurobank Property Services S.A., the Group is also active in the real estate services market in Greece, Romania, Bulgaria, Serbia and Ukraine, offering services including the legalisation arrangement of illegal constructions, the evaluation of investments in green development and the renegotiation of rents.

Electronic banking services

In 2013, the Group further expanded the electronic banking services the Bank offers its customers, including services that permit the Bank's customers to bank using tablets and barcodes, which allows the Bank's customers to manage their bank records more easily. One third of all Greek Internet users visited Eurobank's corporate site. 94.5 per cent. of e-Banking users are satisfied from the service, 76,000 e-Statements users have stopped receiving 227,000 paper statements and Eurobank Mobile apps have been downloaded over 200,000 times in total.

Self-service banking terminals

As at 31 December 2013, the Bank's self-service terminals network comprised 1,352 points of service, including 565 ATMs and 467 automated transaction centres ("ATCs") located in branches of the Retail Banking network, as well as 224 ATMs located outside branches and 96 ATMs located in ELTA sites. Eurobank's ATM network outside of Greece as at 31 December 2013 comprised 1,075 ATMs and 265 ATCs.

In Greece, Eurobank-only ATMs and ATCs account for 46 per cent. of the banking (monetary) transactions of the Group, with an aggregate value of more than €6.2 billion for the year ended 31 December 2013.

EuroPhone Banking

Eurobank's call centre, which operates on a 24-hour basis, offers 550 different transactions in total, covering the entire range of Retail Banking products and services offered. In 2013, the call centre processed approximately 3.34 million monetary and information transactions, with an aggregate value of approximately €310 million.

Eurobank e-Banking

Eurobank's electronic banking service offers a broad range of available transactions, advanced security mechanisms and interactive 24-hour support, as well as a number of innovative services including e-statements and Cheque Express, a solution tailored to companies that collect a large part of their receivables using cheques.

In 2013, the number of active e-Banking customers and the number of transactions increased by 17 per cent. and 18.4 per cent. respectively, compared to 2012.

Eurobank m-Banking

Eurobank offers an integrated banking service via mobile phones, which is supported by the most widely available technologies and channels (sms, mobile site, mobile apps). Eurobank's m-Banking application, which the Bank launched in November 2009, is available through several online application stores (Apple iTunes, Android Market, Nokia Ovi Store). Eurobank's m-Banking service allows customers to conduct transactions using their phone or tablet. In addition, m-Banking provides customers with online banking information, the smart location of the nearest ATM and branch and phone support. More than 160,000 users have installed the m-Banking application, and approximately half of them have used it for online statements and transactions. Eurobank believes that a series of mobile marketing promotions contributed towards increasing active m-Banking users by 38 per cent. and transactions by 86.3 per cent. in the year ended 31 December 2013 (as compared to the year ended 31 December 2012).

Live-Pay payments and collections centre

In May 2011, Eurobank launched its new Live-Pay e-payments service, which offers retail customers the ability to pay their public sector bills via the internet, using their credit card and computer or mobile phone.

Specialised B2B e-commerce services

Eurobank offers collection and payment services to its customers through its e-payments platform, which allows suppliers to directly charge buyers' accounts or credit lines.

Online presence of Eurobank

For the year ended 31 December 2013, visits to Eurobank's website exceeded 13 million, which was an increase of more than 2.8 million from 2012. Eurobank uses new media through a presence on social network pages (e.g., YouTube, Twitter) and through advertisements utilising the most advanced areas of interactive marketing (e.g., keyword advertising and mobile marketing). Eurobank also uses social networking media to promote its corporate social responsibility activities, including the "Kainotomeis" Innovation Competition and the "egg- enter•grow•go" incubation and acceleration programme that aims to boost young innovative entrepreneurship.

Organisational Structure

As a result of the Bank's recapitalisation exclusively by the HFSF pursuant to Law 3864/2010, on 19 June 2013, HFSF became its major shareholder.

On 9 May 2014, after the successful completion of the Bank's Share Capital Increase by payment in cash and based on the information from the HFSF and the companies Fairfax Financial Holding Limited, Capital Group Companies, Inc and EuroPacific Growth Fund the percentages of voting rights are as follows:

- HFSF holds 35.41 per cent. of voting rights (previously held 95.23 per cent.);
- Fairfax Financial Holding Limited holds 8.77 per cent. of voting rights, through its controlled subsidiaries (previously held 0.00 per cent.);
- Capital Group Companies, Inc. holds 13.0132 per cent. of voting rights (previously held 0.00%), of which (i) 12.212 per cent. is held through Capital Research and Management Company, a company controlled by Capital Group Companies, Inc. In these rights are included 800,389,651 (5.442 per cent.) voting rights assigned to Capital Research and Management Company under its capacity as investment adviser, from the company EuroPacific Growth Fund and (ii) 0.8011 per cent. is held through Capital Group International, Inc., a company controlled by Capital Group Companies, Inc.

The remaining voting rights are held by institutional and retail investors, none of which, to the knowledge of the Bank, holds 5 per cent. or more.

As at 31 December 2013, the Bank is not consolidated with another company. On 31 December 2013, the Bank consolidated 80 companies under the full consolidation method and eight companies under the equity method.

Cooperation Agreement with ELTA

On 19 November 2001, TT Hellenic Postbank S.A. entered into a cooperation agreement with ELTA S.A. ("ELTA"), Greece's largest postal services provider, which in 2007 was extended until 31 December 2021. This cooperation agreement includes a non-compete clause under which both ELTA and TT Hellenic Postbank S.A. have undertaken not to compete each other in relation to the products and services to which the agreement relates, as well as an exclusivity clause under which ELTA will provide through its extensive branch network throughout Greece only TT Hellenic Postbank S.A. products and services such as mortgages, unsecured loans, credit cards and fund transfers and TT Hellenic Postbank S.A. will provide only ELTA's financial and mail products through its branch network and will use only ELTA for all its mail. Additionally, an increasing number of ELTA's branches will maintain a TT Hellenic Postbank S.A. shop in the relevant ELTA branch (shop-in-the-shop). Pursuant to the cooperation agreement and as consideration for the provision of these services, ELTA is entitled to remuneration equal to a certain percentage on the relevant services provided. The aforementioned cooperation agreement was included in those assets of TT Hellenic Postbank S.A. that were transferred to the New TT HPB, and thereafter to the Bank, as a result of the merger by absorption of New TT HPB.

Patents and Trademarks

Since 1992, Eurobank has held various trademarks in Greece that feature the "Eurobank" mark. Since 1996 (as a member of the EFG Group) and until 2012, it was entitled to use the names and trademarks "EFG" and "Eurobank", as well as the round symbol that serves as the corporate logo to date (a circle enclosing the Roman letter "L" and a Greek letter "A", the "Circle Device"), alone or in combination with a product or service, in Greece and other countries of Central and Eastern Europe and the southeastern Mediterranean, in accordance with an agreement that Eurobank entered into with the EFG Group. On 23 July 2012, when Eurobank ceased to be a member of the EFG Group, the agreement with EFG, as applied, was terminated when the change in the shareholding structure of Eurobank occurred, since the EFG Group lost control of the Bank. The contract provided for a specific transition period of change in logo (this rebranding period ended on 31 December 2013), upon the expiry of which EFG Group was obliged to stop using the Circle Device, while Eurobank has already ceased using the "EFG" prefix, with some exceptions relating to already produced credit and

debit cards and already printed material, in accordance with the agreement between Eurobank and the EFG Group. As provided in the aforementioned agreement, the EFG Group has already transferred to Eurobank all Eurobank and/or Circle Device trademarks which do not include the EFG element in the countries where the Group has a presence or interest. Eurobank is also the holder of the community trademark “ERB”, and it has filed for the registration of this mark as a trademark, either alone or in combination with another element, in Russia, Serbia, Ukraine, Greece, Bulgaria, Cyprus and Romania. Following the merger by absorption of New TT HPB by Eurobank, Eurobank is now also the owner of various trademarks in Greece that feature the “Tachydromiko Tamieftirio/Hellenic Postbank” brand. Eurobank does not depend on the use of patents to any significant extent.

Property, Plant and Equipment

As at 31 December 2013, Eurobank’s own used property, plant and equipment amounted to €770 million, which included real estate property amounting to €661 million, while the Bank’s investment property amounted to €728 million. In addition, as at 31 December 2013 the Group owned repossessed properties (property and other equipment that came under its ownership through auction) amounting to €558 million (including the advance payments made to acquire them).

The table below lists the properties of highest value owned by the Group as at 31 December 2013:

<u>Address</u>	<u>Type of property</u>	<u>Size (m²)</u>	<u>Fair value (in million €) 31 December 2013</u>
Iolkou 8, Siniosoglou, Filikis Eterias, Al. Panagouli, Nea Ionia	Plot with office building	54,227	85.5
Bd. Dimitrie Pompeiu, 6A, Bucharest, Romania	Plot with office building	22,704	46.5
Agiou Dimitriou 63, Alimos	Plot with office building	25,130	35.4
25 Martiou, Thessalonikis & Teo, Tavros	Plot with office building	24,314	34.7
Tatoiou 8, Metamorfosi	Store (Praktiker)	16,596	21.4
Agiou Konstantinou 59 - 61, Maroussi	Plot with office building	12,125	21.6
Vas. Georgiou A 3, Syntagma Square, Athens	King George Hotel	9,448	41.0
Rhodes-Faneromeni Municipal Road, Ixia, Rhodes	Kapsis Hotel	51,416	51.0

The Group leases properties to third parties. Revenues from rents from the above leases amounted to €24 million for the year ended 31 December 2013. In addition, the Group leases properties for use as branches and offices. In the year ended 31 December 2013, the Group paid a total of €64 million in annual rents.

As at 31 December 2013, there were no significant liens on the assets of Eurobank and its Group. In particular as at 31 December 2013 the only lien recorded in favour of a third party against real property owned by Eurobank Properties relates to a lien of €29.9 million in favour of Emporiki Bank of Greece S.A. on the properties of the Group located in Tavros, 25 Martiou & Thessalonikis.

Based on information to date, there are no environmental restrictions which may have a potential impact on the use of Eurobank’s properties.

Employees

The table below sets out the number of Eurobank employees as at 31 December 2011, 2012 and 2013. The personnel employed by the Group in Romania, Bulgaria, Serbia, Cyprus, Ukraine and Luxembourg are presented in Other Countries. The Group's discontinued operations include Turkey for 2011. Luxembourg 2012 operations are shown in Other Countries with a corresponding adjustment of the 2011 figures.

	As at 31 December		
	2011	2012	2013 ⁽¹⁾
Greece	9,251	9,037	10,877
Distribution network.....	3,835	3,697	4,605
Headquarters	5,416	5,340	6,272
Other Countries.....	8,869	8,390	7,942
Distribution network.....	4,915	4,613	4,373
Headquarters	3,954	3,777	3,569
Total	18,120	17,427	18,819
Discontinued operations.....	1,036	-	-
Distribution network.....	527	-	-
Headquarters	509	-	-
Total	19,156	17,427	18,819

(1) Includes New TT HPB (Greece: 2,567 employees) and New Proton Bank (Greece: 378 employees).

The table below sets out the number of Eurobank employees by business sector as at 31 December 2011, 2012 and 2013:

	As at 31 December		
	2011	2012	2013
Retail banking.....	4,667	4,716	5,748
Corporate banking.....	505	571	615
Asset Management.....	436	418	425
Investment banking and capital markets ...	273	296	300
Miscellaneous.....	3,370	3,036	3,789
International operations	8,869	8,390	7,942
Total.....	18,120	17,427	18,819
Discontinued operations	1,036	-	-
Total.....	19,156	17,427	18,819

Eurobank invests in the continuous training of its employees and constantly supports their efforts to further develop their full potential both at a personal and professional level. To this end, Eurobank has developed an inclusive and up to date training framework through which targeted training programmes are provided, tailored to the knowledge and skills required for each position. The Bank places great emphasis on the development of leadership and management skills by means of training programmes conducted in cooperation with established educational institutions (Athens University of Economics and Business, International University of Thessaloniki, ALBA, Harvard Business Publishing, etc.). At the same time, in order to assist employees to further develop their job related skills, Eurobank invests in training programmes leading to official certification (i.e., from the Bank of Greece).

Eurobank's personnel selection process, whether it involves external or internal candidates, focuses on objectivity, transparency and fairness. It is based on predetermined criteria, fully aligned with Eurobank's values and vision, and the most up to date assessment methods implemented by the Bank and its subsidiaries in Greece and abroad. The Group places great emphasis on the development of its human resources. In this context, an integral professional development framework is implemented, addressed to all employees and offering distinct programmes for all levels of hierarchy, aiming to enhance organisational performance by means of a targeted development of personal skills.

The Bank has in place a Remuneration Policy, which forms an integral part of the Bank's corporate governance practice and is developed in accordance with its operational model and business strategy. Consequently, its main aim is to align individual employees' objectives with the Bank's long-term business objectives and strategy, as well as the long-term value creation for shareholders.

The Remuneration Policy has been drafted in line with Act 2650/2012 of the Governor of the Bank of Greece.

The Group has established a competitive compensation framework in order to attract, engage and retain its employees. Its basic principles are to:

- Safeguard that the compensation is sufficient to retain and attract executives with appropriate skill and experience;
- Monitor that internal equity between Business Units is applied;
- Avoid excessive risk behaviour; and
- Link compensation with long-term performance.

Eurobank offers a series of important benefits for the employees and their families located in Greece. These benefits involve Insurance Schemes covering Health, Life and Pension, as well as schemes aiming to further support the families of the employees by means of special benefits/allowances.

The main pension fund for the employees of Eurobank is the Social Security Institute ("IKA"), and the auxiliary pension fund, covering about 70 per cent. of its personnel is IKA ETEAM. The remaining 30 per cent. of the employees are covered by the auxiliary pension fund of TAPILTAT. The social security fund covering the employees of Eurobank with respect to healthcare is the Insurance Fund for Bank and Public Utility Service Employees (TAITEKO).

In Greece, seven employee unions are currently operating within Eurobank, originating from the mergers with Bank of Athens, Cretabank, Ergobank, New Proton Bank and New TT HPB. Eurobank seeks to ensure fair and objective treatment in terms of payment and equal opportunities for the totality of its employees. The representative union (i.e., the union with the majority membership) is the "Union Eurobank", with which the Bank's collective labour agreements are negotiated and signed.

The majority of the Bank's staff are members of one of the aforementioned unions. Each union that represents the Bank's employees is a member of the largest trade union of employees in the banking sector, the Union of Greek Bank Employees ("OTOE") which, in turn, sits under the umbrella of a multi-industry union, the General Confederation of Greek Workers ("GSEE"). Collective bargaining arrangements are normally made between representatives of the Greek banks and the OTOE and then implemented by each bank (including Eurobank). On 14 May 2013, Eurobank signed a new collective bargaining agreement with OTOE.

The initial Internal Labour Regulation of the Bank was issued under a collective labour agreement entered into between the Bank and Union Eurobank on 12 September 2000. A new Internal Labour Regulation was issued under a collective labour agreement entered into between the Bank and Union Eurobank on 13 June 2013. The Internal Labour Regulation covers all Bank employees except for:

- the executive members of the Bank's Board of Directors, the general managers, the deputy and assistant general managers and other executives of equivalent hierarchical level;
- the Bank's internal legal counsel and lawyers;
- the employees working in the Bank under an employment agreement of definite term;

- the employees that have been hired by the Bank outside Greece and work in the Bank's units or branches in Greece; and
- the consultants, associates and other professionals, that render their services, and are being compensated either with a monthly fee or any other way of payment irrespective of the nature of their employment with the Bank.

The Internal Labour Regulation of Eurobank regulates, among others, the following:

- the duties of the employees and the obligations of Eurobank;
- the contractual salary paid by the Bank to the employees as agreed between the employee and Eurobank and covering the total amount of the statutory nominal wages;
- the hiring procedure;
- the employees' evaluations;
- the working hours;
- internal transfers;
- the disciplinary procedure; and
- the termination of the individual employment agreement.

Disaster Recovery and Information Technology

The Group's operations are supported by three state-of-the-art fault tolerant IT data centres which fully meet information security standards and all criteria for seamless operation, including Disaster Recovery capabilities, and are certified to ISO 27001:2004, ISO 9001:2001 and ISO 22301:2012 standards. They are designed according to international best practices, widely utilising private cloud, virtualisation and environment protection practices.

The core banking applications in Greece and in the countries of Central, Eastern and Southeastern Europe in which the Group operates are integrated within the framework of a customer-centric and multichannel fault tolerant architecture. They are also supported by specialised analysis, information dissemination and risk management systems based on the corporate data warehouse platforms.

The Group's IT operates in accordance with a modern IT service management model, certified to the ISO 20000:2013 standard. Measurements conducted on an international level confirm its effectiveness and efficient cost management, placing it among the top bank IT units in Europe over the last six years.

Litigation

As at 31 December 2013, there were a number of legal proceedings outstanding against the Group. The Group's provisions for outstanding litigation and claims in dispute amounted to €154 million as at 31 December 2013, of which €42 million related to New TT HPB and New Proton Bank. In almost every case where a provision has been made, proper remedies have been taken by the Group to challenge the validity of such claims or the legality of the fines imposed. Neither Eurobank nor any other member of the Group is involved in any administrative, judicial or arbitration proceedings (including any proceedings which are pending or threatened of which the Bank is aware) which the Bank believes may have or which have had a material effect on the Bank's financial condition or the Bank's results of operations or that of the Group in the 12 months preceding the date of this Prospectus.

In January 2014, Greek prosecutors initiated an investigation into the alleged improper granting of loans between 2006 and 2011 by TT Hellenic Postbank S.A. (the bank from which deposits, branch networks and other assets were transferred to create New TT HPB). Criminal proceedings are pending before the Investigating Magistrate of Athens and certain senior employees of TT Hellenic Postbank S.A. have been interrogated by the Investigating Magistrate in connection with breach of trust charges. Eurobank does not expect the outcome of these pending criminal proceedings to have a material effect on the Group.

Eurobank Group Tax Audits

For the fiscal years that have not been audited by tax authorities or for the fiscal years for which a tax certificate has not been issued, provisions are made on a case-by-case basis and per entity, for the coverage of any tax differences that may result following the completion of the tax audit. Management does not expect that any significant tax obligations will result following the completion of the tax audit on a Group level, other than those that have already been recognised in the financial statements.

Eurobank has been audited by the tax authorities for fiscal years up to the year ended 31 December 2009, has not been audited by the tax authorities for the year ended 31 December 2010 and has received an “unqualified” tax certificate from external certified auditors for the years ended 31 December 2011, 2012. A tax audit for the year ended 31 December 2013 is in progress. In addition, New TT HPB has not yet been tax audited for the period from 18 January 2013 to 30 June 2013 (the merger balance sheet date), while New Proton Bank is currently under tax audit by external auditors for the period from 1 January 2013 to 30 June 2013, which are the last tax unaudited periods before completion of their legal merger into Eurobank in the fourth quarter of 2013. New Proton Bank has obtained an “unqualified” tax certificate with a matter of emphasis from external auditors for its first financial year, i.e., the year ended 31 December 2012, but it has not yet been audited by the tax authorities for this year. The matter of emphasis of the tax certificate refers to whether the tax exemptions of Law 2515/1997 should have been applied to the transfer of assets of Proton Bank to New Proton Bank. Any obligations that may arise in view of this matter of emphasis are not expected to significantly affect the financial condition of the Group, as the Bank has made adequate provisions for the fiscal years that have not been tax audited.

The consolidated companies incorporated abroad are taxed according to local tax laws.

The Group’s Greek subsidiaries as at 31 December 2013 (except those which are not subject to compulsory audit by external auditors) have received “unqualified” tax certificates from external certified auditors for the years ended 31 December 2011 and 2012 while a tax audit by external auditors for the year ended 31 December 2013 is in progress.

The table below presents the Bank’s consolidated companies with unaudited tax years as at 31 December 2013:

COMPANIES CONSOLIDATED USING FULL CONSOLIDATION	Unaudited Tax Years
Name of company incorporated abroad	
IMO 3 E.A.D. (Bulgaria)	2008-2013
Eurobank Bulgaria A.D. (Bulgaria)	2008-2013
Bulgarian Retail Services A.D. (Bulgaria)	2009-2013
EFG Auto Leasing E.O.O.D. (Bulgaria)	2008-2013
EFG Leasing E.A.D. (Bulgaria)	2008-2013
EFG Property Services Sofia A.D. (Bulgaria)	2005-2013
IMO Property Investments Sofia E.A.D. (Bulgaria)	2011-2013
IMO Rila E.A.D. (Bulgaria)	2011-2013
IMO Central Office E.A.D. (Bulgaria)	2011-2013

COMPANIES CONSOLIDATED USING FULL CONSOLIDATION**Unaudited Tax Years****Name of company incorporated abroad**

CEH Balkan Holdings Ltd (Cyprus)	2008-2013
Eurobank Cyprus Ltd (Cyprus)	2010-2013
NEU Property Holdings Ltd (Cyprus)	2010-2013
NEU II Property Holdings Ltd (Cyprus)	2011-2013
NEU III Property Holdings Ltd (Cyprus)	2011-2013
EFG New Europe Funding III Ltd (Cyprus)	2011-2013
Chamia Enterprises Company Ltd (Cyprus)	2011-2013
NEU 03 Property Holdings Ltd	
Eurobank Private Bank (Luxembourg) S.A. (Luxembourg)	2009-2013
Eurobank EFG Fund Management Company (Luxembourg) S.A. (Luxembourg)	2009-2013
Eurobank EFG Holding (Luxembourg) S.A. (Luxembourg)	2009-2013
Bancpost S.A. (Romania)	2011-2013
ERB Rom Consult S.A. (Romania)	2004-2013
Eurobank Finance S.A. (Romania)	2005-2013
EFG Leasing IFN S.A. (Romania)	2009-2013
IMO-II Property Investments S.A. (Romania)	2007-2013
Eurobank Property Services S.A. (Romania)	2005-2013
ERB Retail Services IFN S.A. (Romania)	2007-2013
ERB IT Shared Services S.A. (Romania)	2008-2013
Eurolife ERB Asigurari de Viata S.A. (Romania)	2008-2013
Eurolife ERB Asigurari Generale S.A. (Romania)	2008-2013
Eliade Tower S.A. (Romania)	2009-2013
IMO Property Investments Bucuresti S.A. (Romania)	2007-2013
Retail Development S.A. (Romania)	2009-2013
Seferco Development S.A. (Romania)	2009-2013
Eurobank A.D. Beograd (Serbia)	2008-2013
ERB Property Services d.o.o. Beograd (Serbia)	2005-2013
IMO Property Investments A.D. Beograd (Serbia)	2008-2013
ERB Leasing A.D. Beograd (Serbia)	2008-2013
RECO Real Property A.D. (Serbia)	2008-2013
ERB Asset Fin d.o.o. Beograd (Serbia)	2008-2013
Public J.S.C. Universal Bank (Ukraine)	2011-2013
EFG Property Services Ukraine LLC (Ukraine)	2008-2013
ERB New Europe Funding B.V. (Netherlands)	2006-2013
ERB New Europe Funding II B.V. (Netherlands)	2008-2013
ERB New Europe Holding B.V. (Netherlands)	2007-2013

COMPANIES CONSOLIDATED**USING****FULL****Unaudited Tax Years****Name of company incorporated in Greece**

Be-Business Exchanges S.A.*	2010
Eurobank Business Services S.A.*	2010
Eurobank Household Lending S.A.*	2008, 2009,2010
Eurobank Ergasias Leasing S.A.*	2010
Eurolife ERB General Insurance S.A.*	2009, 2010
Eurolife ERB Life Insurance S.A.*	2010
Eurobank Factors S.A.*	2007, 2008, 2009,

COMPANIES CONSOLIDATED	USING FULL	Unaudited Tax Years
Name of company incorporated in Greece		
		2010
ERB Insurance Services S.A.*		2010
Eurobank Asset Management S.A.*		2010
Eurobank Properties R.E.I.C.*		2008, 2009, 2010
Eurobank Property Services S.A.*		2010
Eurobank Remedial Services S.A.*		2010
Cloud Hellas S.A. *		2010
Hellenic Post Credit S.A.*		2009, 2010
T.T. ELTA Mutual Funds S.A.*		2010
T Leasing S.A.*		2010
T Credit S.A.*		2007-2010
COMPANIES CONSOLIDATED USING EQUITY METHOD		
Cardlink S.A.*		2010
Tefin S.A.		2010-2013
Unitfinance S.A.		2010-2013
Sinda Enterprises Company Limited		2010-2013
Femion Ltd		2010-2013
Rosequeens Properties Limited		2011-2013
Rosequeens Properties SRL (Romania)		2011-2013
Odyssey GP S.a.r.l. Luxembourg		

Source: Processed Eurobank data

* For the years ended 31 December 2011 and 2012, the companies have obtained an “unqualified” tax certificate without reservation from external auditors, while for the year ended 31 December 2013, the relevant audit for the issuance of a tax certificate is currently in process. For the year ended 31 December 2011, any “re-audit” conducted by the Ministry of Finance should be completed by 30 April 2014 (see “—Annual Tax Certificate”.) Upon the expiry of this deadline and provided that no tax issues have been identified in the tax authorities’ potential re-audits, the tax audit for the year ended 31 December 2011 will be considered final, with the reservations discussed below in “—Annual Tax Certificate”. The tax audit for the year ended 31 December 2012 must be completed within 18 months from the date of submission of the tax certificate to the Ministry of Finance. See “—Annual Tax Certificate”.

Eurobank’s remaining consolidated companies which are not included in the above table do not have tax unaudited years, as the laws in their country of incorporation do not require regular tax audits.

Annual Tax Certificate

For the fiscal year ended 31 December 2011 and onwards, the Greek *sociétés anonymes* and limited liability companies whose annual financial statements are audited compulsorily, are required to obtain an “Annual Tax Certificate” provided for in paragraph 5 of article 82 of Law 2238/1994, which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. Upon completion of the tax audit, the statutory auditor or audit firm issues to the company a tax certificate, which is then submitted electronically to the Ministry of Finance within 10 days of the seventh month from the end of the company’s financial year. The Ministry of Finance will select, using certain criteria on the basis of a risk analysis method, a sample of at least 9 per cent. of the audited companies for tax re-audit by the competent tax authorities. If the tax certificate was unqualified, this audit should be completed (i) by 30 April 2014, for companies

whose fiscal year ended on or before 31 March 2012, and (ii) within a period not exceeding 18 months from the date of submission of the tax certificate to the Ministry of Finance, for companies whose fiscal year ends after 31 March 2012. Upon the lapse of the periods referred to in (i) or (ii), provided that no tax issues have been identified from the tax authorities' potential re-audits, the tax audit will be considered final. Further tax audits may be effected only in case the first tax audit has identified no evidence of or information regarding breaches of the money laundering legislation, forced or fictitious invoices, transactions with certain companies or breaches of transfer pricing rules.

Board of Directors

The current Board consists of eight Directors, including one executive, two non-executives, three independent non-executives, as well as one representative of the Greek state and one representative of the HFSF who have been appointed as additional non-executive Directors in accordance with relevant legal requirements. The Bank is in cooperation with the HFSF, as required under the Relationship Framework Agreement, to fill one of the two executive Director seats that remains vacant since November 2013.

The Board of Directors of the Bank, along with their positions held on the Board, the Committees to which they are appointed and their principle activities outside the Eurobank Group as at 26 May 2014 which are significant with respect to the Bank comprises, the following persons:

Name	Position held on the Board of Directors of the Bank	Position held on BoD Committees of the Bank	Company	Position
George A. David	Chairman, Non-executive Director	1. Nomination Committee, Member	1. Petros Petropoulos S.A. 2. BOVAL S.A. 3. KAR-TESS HOLDING SARL 4. FILLMORE TRADING AKTEXE 5. COCA-COLA HBC AG 6. THE A.G.LEVENTIS FOUNDATION 7. LENENTIS HOLDING S.A.	1. Independent non-executive director 2. Director 3. Director 4. Vice-Chairman, Non-executive member 5. Chairman, non-executive member 6. BoD member 7. BoD member
George C. Gonticas	Honorary Chairman, Non-executive Independent Director	-		
Efstratios-Georgios A. Arapoglou	Vice-Chairman, Non-Executive Independent Director	1. Audit Committee, Member 2. Risk Committee, Chairman 3. Remuneration Committee, Chairman 4. Nomination Committee, Chairman	1. TITAN CEMENT COMPANY S.A. 2. TEN Inc. 3. EFG HERMES S.A.E.	1. Vice-Chairman, non-executive member 2. BoD, non-executive member 3. BoD, non-executive member
Christos I. Megalou	Chief executive Officer	1. Risk Committee, Member	1. Tite Capital Limited, UK (<i>dormant company</i>)	1. Sole Board member
Spyros L. Lorentziadis	Non-executive Independent Director	1. Audit Committee, Chairman 2. Risk Committee, Member	1. Lorentziadis Ludovikos & Co LP 2. Athens International Airports S.A.	1. Limited partner 2. Audit Committee member

Dimitrios T. Papalexopoulos	Non-Executive Independent Director	1. Remuneration Committee, Member 2. Nomination Committee, Member	1. TITAN CEMENT COMPANY S.A. 2. Hellenic Federation of Enterprises (SEV) 3. Foundation for Economic & Industrial Research (IOBE) 4. Hellenic Foundation for European and Foreign Policy (ELIAMEP)	1. BoD executive member - Managing Director 2. BoD Member, Vice-Chairman of SEV's Council for Sustainable Development (SEV BCSD) 3. Member 4. Member
Dimitrios A. Georgoutsos	Non-Executive Director (representative of the Greek state by virtue of Law 3723/2008)	-	-	-
Kenneth Howard Prince-Wright	Non-Executive Director (representative of the HFSF by virtue of Law 3864/2010)	1. Audit Committee, Member 2. Risk Committee, Member 3. Remuneration Committee, Member 4. Nomination Committee, Member	1. Basil Mansions Management Company Limited 2. Make a Wish Charitable Foundation 3. South Asian Real Estate limited 4. Belsize Capital Limited 5. Cellular Plc	1. President and shareholder 2. BoD member 3. Shareholder 4. Partner without shareholding 5. Chairman, non-executive member

The term of office of the current Board is set at three years, extended until the expiration of the period in which the annual General Meeting must convene for the year 2016.

For the purpose of this Prospectus, the business address of each member of the Board of Directors of the Bank is that of Eurobank Ergasias S.A.'s registered office.

The Chief Executive Officer establishes committees to assist him as required, the most important of which are the Executive Board and the Management Committee. The members along with their principle activities outside the Group as at 26 May 2014 which are significant with respect to the Bank are as follows:

Full name	Position held on Management Committee	Position held on Executive Board	Company	Position
Christos I. Megalou	Chairman	Chairman	As shown in above table	
Constantinos A. Vouvounis	Member	Member	1. PG Nikas S.A. 2. Chipita S.A.	1. BoD, non-executive member 2. BoD, member
Stavros E. Ioannou	Member	Member	1. Cardlink S.A.	1. BoD, Vice-Chairman
Fokion Ch. Karavias	Member	Member	1. HELEX S.A.	1. BoD, non-executive member
Christos N. Adam	Member	Member	-	-
Charalampos E. Siganos	Member	Member	-	-
Dimitrios Th. Anagnostopoulos	Member	-	-	-
Despina E. Andreadou	Member (non-voting)	-	1. Hoban Ventures Ltd	Manager & Shareholder (100%)
Dimos I. Arholidis	Member	-	-	-
Kostas V. Vassiliou	Member	-	1. Kultia S.A. 2. Karampela Bros S.A.	1. Partner & Shareholder (49%) 2. Shareholder (<3.5%)
Ivi F. Viga	Member	-	-	-

Michael G. Vlastarakis	Member	-	1. Hellenic Ombudsman for Banking-Investment Services 2. Hellenic Management Association	1. BoD member 2. BoD member
Athina A. Dessypri	Member	-	1. Prime Foods S.A. 2. WWF Hellas 3. Kataskinotikos Cooperative Oil Company Employees "Meltemi"	1. Shareholder (30%) 2. Member of Economic Committee 3. Chairman
Christina Th. Theofilidi	Member	-	1. Tiresias S.A.	1. BoD Member
Petros S. Katsoulas	Member	-	1. Korres S.A.	1. BoD Member
Harris V. Kokologiannis	Member	-	-	-
George P. Marinos	Member	-	-	-
Gikas A. Hardouvelis	Member	-	-	-

For the purpose of this Prospectus, the business address of each member of the Executive Board and the Management Committee of the Bank is that of Eurobank Ergasias S.A.'s registered office.

There are no potential conflicts of interest between the duties to the Bank of each of the members of the Board of Directors and the members of the Executive Board and the Management Committee listed above and their private interests or other duties.

Subsidiaries & Associates

In its effort to provide its clients with an active and competitive presence in all categories of financial products and services, the Bank has established specialized subsidiaries and forged alliances with other organisations for the joint development and distribution of products.

The proportions of shares in subsidiary undertakings which are included in the Bank's consolidated financial statements are shown below:

<u>Subsidiary Undertakings</u>	<u>% as at 31.12.2013</u>	<u>Country of incorporation</u>	<u>Category of business</u>
Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services	98.01	Greece	Business-to-business e-commerce, accounting and tax services
Cloud Hellas S.A.	55.94	Greece	Real estate
ERB Insurance Services S.A.	100.00	Greece	Insurance brokerage
Eurobank Asset Management Mutual Fund Mngt Company S.A.	100.00	Greece	Mutual fund and asset management
Eurobank Business Services S.A.	100.00	Greece	Payroll and advisory services
Eurobank Equities S.A.	100.00	Greece	Capital markets and advisory services
Eurobank Ergasias Leasing S.A.	100.00	Greece	Leasing
Eurobank Factors S.A.	100.00	Greece	Factoring
Eurobank Financial Planning Services S.A.	100.00	Greece	Management of overdue loans
Eurobank Household Lending Services S.A.	100.00	Greece	Promotion/management of household products
Eurobank Properties R.E.I.C.	55.94	Greece	Real estate
Eurobank Property Services S.A.	100.00	Greece	Real estate services
Eurobank Remedial Services S.A.	100.00	Greece	Notification to overdue debtors
Eurolife ERB General Insurance S.A.	100.00	Greece	Insurance services

Eurolife ERB Life Insurance S.A.	100.00	Greece	Insurance services
Hellenic Post Credit S.A.	50.00	Greece	Credit card management and other services
Hellenic Postbank - Hellenic Post Mutual Funds Mngt Company S.A.	21.00	Greece	Mutual fund management
T Credit S.A.	100.00	Greece	Vehicle and equipment leasing
T Leasing S.A.	100.00	Greece	Leasing
Eurobank Bulgaria A.D.	99.99	Bulgaria	Banking
Bulgarian Retail Services A.D.	100.00	Bulgaria	Rendering of financial services and credit card management
ERB Auto Leasing E.O.O.D.	100.00	Bulgaria	Vehicle leasing and rental
ERB Property Services Sofia A.D.	80.00	Bulgaria	Real estate services
ERB Leasing E.A.D.	100.00	Bulgaria	Leasing
IMO 03 E.A.D.	100.00	Bulgaria	Real estate services
IMO Central Office E.A.D.	100.00	Bulgaria	Real estate services
IMO Property Investments Sofia E.A.D.	100.00	Bulgaria	Real estate services
IMO Rila E.A.D.	100.00	Bulgaria	Real estate services
ERB Hellas (Cayman Islands) Ltd	100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd	100.00	Channel Islands	Holding company
ERB Hellas Funding Ltd	100.00	Channel Islands	Special purpose financing vehicle
Eurobank Cyprus Ltd	100.00	Cyprus	Banking
CEH Balkan Holdings Ltd	100.00	Cyprus	Holding company
Chamia Enterprises Company Ltd	100.00	Cyprus	Special purpose investment vehicle
ERB New Europe Funding III Ltd	100.00	Cyprus	Finance company
NEU 03 Property Holding Ltd	100.00	Cyprus	Holding company
NEU II Property Holdings Ltd	100.00	Cyprus	Holding company
NEU III Property Holdings Ltd	100.00	Cyprus	Holding company
NEU Property Holdings Ltd	100.00	Cyprus	Holding company
Eurobank Private Bank Luxembourg S.A.	100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.	100.00	Luxembourg	Fund management
Eurobank Holding (Luxembourg) S.A.	100.00	Luxembourg	Holding company
ERB New Europe Funding B.V.	100.00	Netherlands	Finance company
ERB New Europe Funding II B.V.	100.00	Netherlands	Finance company
ERB New Europe Holding B.V.	100.00	Netherlands	Holding company
Bancpost S.A.	99.11	Romania	Banking
Eliade Tower S.A.	55.94	Romania	Real estate
ERB IT Shared Services S.A.	100.00	Romania	Informatics data processing
ERB Leasing IFN S.A.	100.00	Romania	Leasing
ERB Retail Services IFN S.A.	100.00	Romania	Credit card management
ERB ROM Consult S.A.	100.00	Romania	Consultancy services
Eurobank Finance S.A.	100.00	Romania	Investment banking
Eurobank Property Services S.A.	80.00	Romania	Real estate services
Eurolife ERB Asigurari De Viata S.A.	100.00	Romania	Insurance services
Eurolife ERB Asigurari Generale S.A.	100.00	Romania	Insurance services
IMO Property Investments Bucuresti S.A.	100.00	Romania	Real estate services

IMO-II Property Investments S.A.	100.00	Romania	Real estate services
Retail Development S.A.	55.94	Romania	Real estate
Seferco Development S.A.	55.94	Romania	Real estate
Eurobank A.D. Beograd	99.98	Serbia	Banking
ERB Asset Fin d.o.o. Beograd	100.00	Serbia	Asset management
ERB Leasing A.D. Beograd	99.99	Serbia	Leasing
ERB Property Services d.o.o. Beograd	80.00	Serbia	Real estate services
IMO Property Investments A.D. Beograd	100.00	Serbia	Real estate services
Reco Real Property A.D.	55.94	Serbia	Real estate
EFG Istanbul Holding A.S.	100.00	Turkey	Holding company
Public J.S.C. Universal Bank	99.97	Ukraine	Banking
ERB Property Services Ukraine LLC	100.00	Ukraine	Real estate services
Anptyxi II Holdings Ltd	-	United Kingdom	Special purpose financing vehicle
Anptyxi II Plc	-	United Kingdom	Special purpose financing vehicle
Anptyxi SME I Holdings Ltd	-	United Kingdom	Special purpose financing vehicle
Anptyxi SME I Plc	-	United Kingdom	Special purpose financing vehicle
Andromeda Leasing I Holdings Ltd	-	United Kingdom	Special purpose financing vehicle
Andromeda Leasing I Plc	-	United Kingdom	Special purpose financing vehicle
Byzantium Finance Plc	-	United Kingdom	Special purpose financing vehicle
Daneion 2007-1 Plc	-	United Kingdom	Special purpose financing vehicle
Daneion APC Ltd	-	United Kingdom	Special purpose financing vehicle
Daneion Holdings Ltd	-	United Kingdom	Special purpose financing vehicle
ERB Hellas Plc	100,00	United Kingdom	Special purpose financing vehicle
Karta II Holdings Ltd	-	United Kingdom	Special purpose financing vehicle
Karta II Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion II Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion III Holdings Ltd	-	United Kingdom	Special purpose financing vehicle
Themeleion III Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion IV Holdings Ltd	-	United Kingdom	Special purpose financing vehicle
Themeleion IV Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
	<u>% as at</u>	<u>Country of</u>	<u>Category of Business</u>
<u>Associates and Joint Ventures</u>	<u>31.12.201</u>	<u>Incorporation</u>	
Odyssey GP S.a.r.l., Luxembourg	20.00	Luxembourg	Special Purpose Investment Vehicle
Omega Insurance and Reinsurance Brokers S.A.	26.05	Greece	Insurance Brokerage

Tefin S.A.	50.00	Greece	Motor Vehicle sales financing
Rosequeens properties SRL	33.33	Romania	Real Estate
Cardlink S.A.	50.00	Greece	POS administration
Sinda Enterprises Company Ltd	48.00	Cyprus	Special Purpose Investment Vehicle
Femion Ltd	66.45	Cyprus	Special Purpose Investment Vehicle
Unitfinance S.A.	40.00	Greece	Financing Company
Rosequeens properties Ltd	33.33	Cyprus	Special Purpose Investment Vehicle

RISK MANAGEMENT

Risk management strategy is formulated by the Risk Committee (the “BRC”) of the Board of Directors and the Group Chief Risk Officer (the “GCRO”). Eurobank’s structure, internal procedures and control mechanisms ensure the principle of independence and sufficient supervision.

The Board of Directors has delegated competences to the BRC regarding risk management strategy (e.g., risk appetite, classification of risks, assets-liabilities management and institution of risk management mechanisms) based on qualitative and quantitative analyses. The BRC’s main responsibilities include regular monitoring of risks, evaluation and support of new procedures and activities that pose a risk, systematic monitoring of risks and the results of stress tests, and establishing the approval power of the Credit Committee.

The Risk Committee’s members are appointed by the Board for a term of three years, which may be renewed three times. The current BRC consists of four directors of whom one is executive, one is non-executive (the representative of the HFSF) and two are independent non-executives. The BRC meets at least monthly and reports to the Board on a quarterly basis. The Chairman of the Risk Committee may, as he deems appropriate, invite members of the Bank’s Management Committee and Risk Management Division, the persons presiding over the Bank’s subsidiaries’ risk committees, or outside advisers or experts to attend the BRC’s meetings. The Monitoring Trustee also attends such meetings as an observer. There is a quorum when a majority of the BRC members are in attendance and the Chairman of the Risk Committee must be one of the participating members. Decisions require a majority vote, and in case of a tie, the Chairman of the Risk Committee has the deciding vote.

The Risk Committee reviews its Terms of Reference at least once every three years and revises the Terms of Reference if it deems necessary, unless significant changes in the role, responsibilities or organisation of the Risk Committee and/or regulatory requirements in the view of the Risk Committee necessitate an earlier revision. The Terms of Reference are approved by the Board. At least annually, the Risk Committee reviews its own performance and the results are discussed with the Board.

The Group’s Risk Management Division, which is headed by the GCRO, is independent from the business units and has full responsibility for monitoring operational, credit, market and liquidity risks of the Group. The Credit Sector, Group Credit Control Sector, Group Market and Counterparty Risk Sector (“GMCRS”), Operational Risk Sector and the International Credit Division all report to the Group Risk Management Division. Due to the nature of its activities, the Group is exposed to numerous financial risks, such as credit risks, market risks (including foreign exchange and interest rate risks) and liquidity risks, the management of which is undertaken at various levels of the organisation.

Audit Committee

The primary function of the Audit Committee is to assist the Board in discharging its oversight responsibilities primarily relating to:

- The review of the adequacy of the Internal Control and Risk Management systems and the compliance with rules and regulation monitoring process;
- The review of the financial reporting process and satisfaction as to the integrity of the Bank’s financial statements;
- The External Auditors’ selection, performance and independence; and
- The effectiveness and performance of the Internal Audit function and the Compliance function.

Risk Committee

The Risk Committee's role is to approve strategic risk management decisions (e.g., risk appetite, balance sheet profile and risk management structure), monitor the quantitative and qualitative aspects of all credit, market, liquidity and operational risks and assign credit approval authorities to Management. In addition, under the Relationship Framework Agreement, the Risk Committee should:

- (a) ensure that the Bank has the appropriate methodologies, modelling, data sources and competent staff to assess the (i) the likely changes in asset quality under different macroeconomic and market assumptions, and (ii) the risks such changes may pose to the financial stability of the Bank;
- (b) ensure appropriate oversight mechanisms and controls for the monitoring and effective management of troubled assets, which include:
 - non-performing loans;
 - loans under restructuring and rescheduling schemes;
 - exposures which have been written-off for accounting purposes but for which the Bank still pursues partial or full recovery;
- (c) emphasise the development of appropriate early warning systems so as to identify borrowers reaching the limits of their ability to perform on their obligations, and ensure that the Bank develops, maintains and constantly updates an appropriate range of solutions for the mitigation of delinquencies and the preservation of the value of its loan assets; and
- (d) ensure that the Bank's business units develop risk-adjusted performance and pricing measurement tools and methodologies, which are approved by the Risk Management Division and integrated in the business decision process.

For further information, please see "Management and Corporate Governance—Board Committees—Risk Committee".

The Eurobank Group Asset-Liability Management Committee – Group ALCO ("G-ALCO")

Its primary mandate is to:

- formulate, implement and monitor as may be appropriate the Group's (i) liquidity and funding strategies and policies; (ii) interest rate guidelines, (iii) Capital investments—as well as its foreign exchange exposure and hedging—strategy; (iv) business initiatives and/or investments that significantly affect the Bank's market and liquidity risk profile; and
- approve or recommend changes to these policies that conform to the Bank's risk appetite and levels of exposure as determined by the BRC and Management, while complying with the framework established by regulatory and/or supervisory bodies.

G-ALCO's responsibility is to review, on a monthly basis, the overall liquidity positions and developments on a Bank/Group level and on a country-by-country level. In this context, the Asset-Liability Management Committees of the Bank's international subsidiaries should report material country developments to the G-ALCO based on the above principles and their respective regulatory environment.

The G-ALCO convenes at least once a month and/or whenever deemed necessary.

Credit Risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to fulfil its payment obligations. It includes country, sector and settlement risk.

Country risk is the risk of losses arising from economic difficulties or political unrest in a country, including the risk of losses following nationalisation, expropriation and debt restructuring.

Sector risk is the risk of losses arising from economic difficulties as a result of events that affect a particular sector or industry.

Settlement risk is the risk of loss due to the failure of a counterparty to satisfy its contractual obligations to deliver cash, securities or other assets when payments on financial instruments are settled, including derivatives and currency transactions. Settlement risk arises when the Group remits payments before it can ascertain that the counterparty's payments have been received.

Credit risk arises mainly from the corporate and retail lending activities of the Group, which include the provision of credit enhancement, such as financial guarantees and letters of credit. The Group is also exposed to credit risk arising from other activities, such as investments in debt securities, trading activities, capital markets and settlement activities. Credit risk is the primary risk to which the Group is exposed. Therefore the Group carefully and actively manages and monitors credit risk by centralised risk units, which report to the GCRO.

Credit Risk Management

The credit approval and credit review processes are centralised on a country level. The segregation of duties ensures independence among those responsible for the customer relationship, the approval process and the disbursement, as well as the monitoring of the loan during its lifecycle.

Credit Committees

The Group has established various credit committees with escalating credit approval levels in order to manage the corporate banking credit risks, including:

- Credit Committees which are authorised to approve new limits, renewals or amendments to existing limits, in accordance with their approval authority level, depending on total customer exposure, customer risk category (i.e., high, medium or low), value and type of security;
- Regional Credit Committees ("RCC 1" and "RCC 2"), being Head Office committees which approve limits for International Operations in excess of the country's approval authority, depending also on customer's risk classification; and
- Special Handling Credit Committees ("EPIX 1" and "EPIX 2"), which decide on credit issues and actions to be taken for specific cases of problematic loans over €5 million and €25 million, respectively. Furthermore, a new Special Handling Committee ("EPIX 3") has been established in order to review corporate customers with exposures lower than €5 million.

Other specialised committees such as the Debt Remedial Management Committees are established to monitor certain portfolios, such as forborne loans and staff loans.

In December 2013, following the completion of the BlackRock Updated Exercise and instructions from the Bank of Greece, a Troubled Assets Committee was established at the level of top management. The main responsibilities of the Troubled Assets Committee are to:

- determine strategy for remedial management of problematic loans in the corporate and retail area;
- provide guidance to the Remedial / Non-Performing Customers Unit;
- monitor performance and progress across all asset classes on a monthly basis; and
- conduct regular reviews of strategic initiatives.

Credit committees meet on a weekly basis or more frequently if needed.

Credit Sector

The Credit Sector of the Risk Management Division independently reviews credit proposals for large and medium size corporate entities and prepares an assessment (credit opinion) prior to the submission of credit proposals to the appropriate Credit Committees, in which it participates with a voting right. It also approves credits for retail customers (small business lending and household lending) in the case that the total customer exposure exceeds a predefined threshold.

International Credit Division

In order to ensure full harmonisation with Group standards and in light of increased credit risk management demands for the corporate business in International operations, the International Credit Division was established in April 2008. Its primary activities are:

- to evaluate credit proposals for business loans that exceed the approval threshold of the subsidiary bank and to submit them for approval to the Regional Credit Committees of the parent bank, together with a risk opinion, as required;
- to prepare and revise—as needed—management acts relating to credit approval processes and approval levels;
- to maintain a uniform credit policy for international subsidiaries, in accordance with the Group's credit policy standards; and
- to monitor classified/ high-risk corporate credits.

The approval process for loans to small businesses (turnover up to €2.5 million) is centralised, following specific guidelines for eligible collaterals as well as the “four-eyes” principle. The assessment is based on the analysis of the borrower's financial position and statistical scorecards.

The credit approval process for Household Lending is centralised. It is supported by specialised credit scoring models and the application of credit criteria based on the payment behaviour of borrowers, the type and quality of collateral, the existence of real estate property, and other factors. The on-going monitoring of portfolio quality and performance of any deviations, leads to adjustments of the credit policy and procedures, when deemed necessary.

Group Market and Counterparty Risk Sector (“GMCRS”)

The GMCRS of the Risk Management division measures and reports the total counterparty exposure on a group basis.

The counterparty exposure is calculated for Treasury positions, such as securities (including bonds and equities), derivatives, repos, interbank placings and guarantees.

The GMCRS uses a counterparty exposure measurement tool which reports the exposure per Group's entity, counterparty and product type on a daily basis with further breakdown of exposure.

Risk mitigation contracts are taken into account for the calculation of the final exposure. The same system is used for the limit utilisation reporting and the limit excess monitoring. This tool, which is available to the Bank's and the subsidiaries' Treasury, provides them with the ability to monitor the exposure and the limit availability of each counterparty.

Credit Risk Monitoring

The quality of the Group's loan portfolios (business, consumer and mortgage) is monitored and assessed by the Group Credit Control Sector.

The Credit Control Sector operates independently from all the business units of the Bank and reports directly to the Group Chief Risk Officer.

The Group Credit Control Sector's key activities include:

- monitoring and reviewing the performance of all loan portfolios of the parent bank and its subsidiaries;
- conducting field reviews and preparing written reports to management on the quality of loans for all of the Group's lending units;
- supervising and controlling the credit risk management units of subsidiaries abroad;
- participating in the development, approval and implementation of credit risk models, designed according to the characteristics of each loan portfolio;
- qualitative and quantitative validation of credit risk models, regular monitoring of their effectiveness and reporting of results to relevant units and management;
- supervising, supporting and maintaining the Moody's Risk Advisor (MRA) used to assign borrower ratings to wholesale lending customers;
- creating, overseeing and supporting the Transactional Rating (TR) application, used for the Wholesale lending portfolio, to measure the overall risk of a credit relationship, taking into account both the creditworthiness of the borrower and required collaterals;
- regular monitoring and quarterly reporting to Eurobank's Board of Directors and Risk Committee of risk exposures, along with accompanying analyses;
- formulating the provisioning policy and regularly monitoring of the adequacy of provisions for all of the Group's loan portfolios;
- participating in the approval of new credit policies and new loan products;
- attending meetings of Credit Committees and Special Handling Committees without voting rights;
- responsibility for implementing the Internal Ratings-based Approach (Basel II IRB approach) at Group level, according to the roll out plan, as well as the post implementation monitoring and reporting.

The bank's international subsidiaries in Bulgaria, Romania, Serbia, Cyprus and Ukraine apply the same credit risk management structure and control procedures as the Bank, reporting directly to the GCRO. Risk management policies and processes are approved and monitored by the credit risk divisions of the Bank ensuring that Group guidelines are in place and credit risk strategy is uniformly applied across the Group.

Credit Related Commitments

The primary purpose of credit related commitments is to ensure that funds are available to a customer as agreed. Guarantees and standby letters of credit carry the same credit risk as loans since they represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are secured by the underlying shipment of goods to which they relate and therefore carry less risk than a loan. Commitments to extend credit represent contractual commitments to extend credit in the form of loans, guarantees or letters of credit for which the Group usually receives a commitment fee. Such commitments are irrevocable over the life of the facility or revocable only upon the occurrence of a material adverse effect.

Concentration Risk

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. The exposure to any one borrower, including banks and brokers, is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts.

These risks are monitored on a revolving basis and are subject to an annual or more frequent review. Risk concentrations are monitored regularly and reported to the BRC. Such reports include the 20 largest exposures, major watchlisted and problematic customers, industry analysis, analysis by rating/risk class and by delinquency bucket, and loan portfolios by country.

Rating Systems

Rating of Large Corporate and Medium Sized Customers

The Bank utilises differentiated rating models for corporate banking, in order to better reflect the risk of customers with different characteristics. Hence, rating models are employed for a number of general as well as specific segments:

- Traditional Corporate Lending: Moody's Risk Advisor ("MRA"); Internal Credit Rating ("ICR") for those customers that cannot be rated by MRA.
- Specialised Lending (shipping, real estate and project finance): slotting methodology.

MRA is a rating system that aggregates quantitative and qualitative information on individual obligors to perform an assessment of their creditworthiness and determine the credit rating for the obligor. It takes into account the company's financial performance, its cash flows, industry sector trends, peers' performance as well as qualitative assessment of management, the company's status, and market and industry structural factors. MRA is used for the assessment of all legal entities with full accountancy tax books irrespective of their legal form, and is calibrated on the Greek corporate environment.

Certain types of companies cannot be analysed with MRA due to the special characteristics of their financial statement data, such as insurance companies, state-owned organisations, brokerage firms and start-ups. In such cases, an internal credit rating system is applied, which, similarly to MRA, combines quantitative and qualitative assessment criteria (such as size, years in business, credit history, industry sector).

In addition, the Bank performs an overall assessment of corporate customers, based both on the borrower rating of the obligors (MRA or ICR), and the collaterals and guarantees referred to in its approved credit limit, using a 14-grade rating scale. Credit exposure is subject to detailed reviews by

the appropriate approval level of the Bank based on the respective rating (TR). Low risk corporate customers are reviewed at least once a year, whereas higher risk customers are reviewed either on a semi-annual (watch list) or quarterly basis (substandard and distressed). All high risk corporate customers with exposures over €5 million are reviewed by the Special Handling Committees (EPIX 1 and EPIX 2) on a weekly basis. A new Special Handling Committee (EPIX 3) has been established in order to review corporate customers with exposures lower than €5 million.

For the specialised lending portfolios, where the primary source of repayment of the obligation is the income generated by the asset(s), rather than the independent capacity of the commercial enterprise, the Bank utilises the slotting method by adapting and refining the Capital Requirements Directive (CRD) criteria to the Bank's risk practices. Customers in the specialised lending category (shipping, real estate and project finance) are classified into five categories: strong, good, satisfactory, weak and default.

The rating systems described above are an integral part of the corporate banking decision-making and risk management processes:

- the credit approval process, both at the origination and review process;
- the calculation of Economic Value Added (EVA) and risk-adjusted pricing; and
- the quality assessment of issuers of cheques prior to their pledge as collateral.

Rating of Retail Lending Exposures

The Bank assigns credit scores to its retail customers using a number of statistically-based models both at origination and on an on-going basis through behavioural scorecards. These models have been developed to predict, on the basis of available information, the probability of default, loss given default and exposure at default. They cover the entire spectrum of retail products (credit cards, consumer lending, unsecured revolving credits, car loans, personal loans, mortgages and small business loans).

The models were developed based on the Bank's historical data and credit bureau data. Behavioural scores are calculated automatically on a monthly basis, ensuring that credit risk assessments are up to date.

The models are used in the credit approval process, in credit limit management, as well as in the collections process for the prioritisation of the accounts in terms of handling. These models are also used for the risk segmentation of customers. They are also utilised for risk based pricing in particular segments or new products introduced.

The rating systems used by the Bank meet the requirements of the Basel II – Internal Ratings Based (IRB) approach. The Bank has been IRB certified since 2008 for the Greek portfolios, both corporate and retail.

The Group Credit Control Sector independently monitors the capacity of rating models and scoring systems to classify customers according to risk, as well as to predict the probability of default and loss given default. The Bank's validation policy follows a procedure that complies with international best practices and regulatory requirements. The Bank verifies the validity of the rating models and scoring systems on an annual basis, and the validation includes both quantitative and qualitative aspects. Validation procedures are documented and regularly reviewed and reported to the BRC. Group Internal Audit also independently reviews the validation process annually.

Credit Risk Mitigation

A key component of the Group's business strategy is to reduce risk by utilising various risk mitigation techniques. The most important risk mitigation measures are collateral pledges, guarantees and netting arrangements in master agreements for derivatives.

Types of Collateral Commonly Accepted by the Bank

The Group has internal policies in place which set out the following types of collateral that are usually accepted:

- residential real estate, commercial real estate (offices, shopping malls, etc.), industrial buildings and land;
- receivables (trade debtors) and post-dated cheques;
- securities, including listed shares and bonds;
- deposits;
- guarantees and letters of support;
- insurance policies; and
- equipment, mainly, vehicles and vessels.

A specific coverage ratio is pre-requisite upon approval and on an on-going basis for each collateral type, as specified in the Group's credit policy.

For exposure other than loans to customers (e.g., repos, reverse repos, derivatives), the Group accepts only cash or liquid bonds as collateral.

Valuation Principles of Collateral

In defining the maximum collateral ratio for loan products, the Group considers all relevant information available, including any collateral's characteristics, if market participants would take those into account when pricing relevant assets. Valuation and, therefore, eligibility is based on the following principles:

- The collateral's fair value is the exit price which would be received to sell the asset in an orderly transaction under current market conditions;
- The fair value reflects market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it;
- Highest and best use is determined from the perspective of market participants;
- A reduction of the collateral value is considered if the type, location or condition (such as deterioration and obsolescence) of the asset indicate so; and
- No collateral value is assigned if a pledge is not legally enforceable.

Real estate properties for all units are valued by Eurobank Property Services S.A. ("EPS"), a subsidiary of the Bank, which reports to the GCRO. EPS is regulated by the Royal Institute of Chartered Surveyors ("RICS") and utilises internal or external qualified appraisers based on predefined criteria (qualifications and expertise). All appraisals take into account, among other things, the region, age and marketability of the property, and are further reviewed and countersigned by experienced staff. The valuation methodology employed is based on Internal Valuation Standards

("IVS") and quality controls are in place, such as reviewing mechanisms, sample reviews by independent well-established valuation companies.

In 2006, the Bank initiated a project in collaboration with other banks in Greece to develop a real estate property index (Prop.Index) for residential property. The methodology, which was developed by an independent specialised statistical company, has been approved by the Bank of Greece, and its use enables a dynamic monitoring of residential property values and market trends, on an annual basis. For commercial real estate, revaluations are performed by qualified property valuers within two to three years. More frequent revaluations either on site or desktop are performed for material exposures, borrowers downgraded to watchlist/high risk area and for borrowers active in the real estate sector.

To ensure the quality of the post-dated cheques accepted as collateral, the Bank has developed a pre-screening, which takes into account a number of criteria and risk parameters, so as to evaluate their eligibility. Furthermore, post-dated cheques valuation is monitored weekly through the use of advanced statistical reports on a monthly basis with detailed information regarding recoverability of cheques, referrals and bounced cheques, per issuer broken down by business unit (corporate and small business banking).

In the case of reverse repos, the bonds received as collateral are valued on a daily basis by the official valuation system. These are monitored by a credit exposure measurement system that takes into account the specific characteristics of every contract.

Collateral Policy and Documentation

For loan products, Group instructions emphasise that practices and routines followed are timely and prudent in order to ensure that collateral items are controlled by the Group's entities and that the loan and pledge agreement, as well as the collateral, is legally enforceable. Thus, the Group's entities hold the right to liquidate collateral in the event of the obligor's financial distress and can claim and control cash proceeds from a liquidation process.

The Group uses to a large extent standard loan and pledge agreements, ensuring legal enforceability.

In the case of derivatives, the Bank makes use of ISDA agreements, which limit the exposure via the application of netting and CSAs, which further reduce the total exposure towards the counterparty. Under these agreements, the total exposure to the counterparty is calculated on a daily basis taking into account any netting arrangements and collateral.

The same process is applied in the case for repo transactions, where standard Global Master Repurchase Agreements ("GMRA") are used. The exposure (i.e., the net difference between repo cash and the market value of the securities) is calculated on a daily basis and collateral is transferred between the counterparties, thus minimising the exposure.

The Bank uses a comprehensive collateral management system for the monitoring of ISDA agreements, CSAs and GMRAs, i.e., the daily MTM of the derivatives and the market value of the securities are used for the calculation of each counterparty's exposure. The collateral which should be posted or asked by the relevant counterparty is reported along with the related documentation.

With this system, the Bank monitors and controls the collateral flow in case of derivatives and repos, independently of the counterparty. The effect of any market movement that increases the Bank's exposure is reported and the Bank proceeds to collateral call without delay.

Guarantees and Credit Derivatives

The guarantees used as credit risk mitigation by the Group are largely issued by central and regional governments in the countries in which it operates. The Public Fund for very small businesses (TEMPME) and similar funds, banks and insurance companies are also important guarantors of credit risk.

The bank enters into credit derivative transactions with both retail and investment banks. The lowest counterparty rating is A, whereas the average counterparty rating is AA (Standard & Poor's rating scale).

Management of Repossessed Properties

The objective of the management of the repossessed assets by the Group is to minimise the time cycle for an asset to be disposed and to maximise the recovery of the capital engaged.

To this purpose, the management of repossessed assets aims at improving rental and other income from the exploitation of such assets, and at the same time reducing the respective holding and maintenance costs.

The Group is actively engaged in identifying suitable potential buyers for its portfolio of repossessed assets (including specialised funds engaged in acquiring specific portfolios of properties repossessed), both in Greece and abroad, in order to reduce its stock of properties with a time horizon of three to five years.

Repossessed assets are closely monitored based on technical and legal due diligence reports, so that their market value is accurately reported and updated in accordance with market trends.

Master Netting Arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with whom it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk is reduced by a master netting agreement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

Collections and Remedial Management

Each business unit has a specialised department that monitors repayments of past due loans that are not yet in non-performing status. Their aim is to help borrowers who are viable to fulfil their obligations and to improve the overall performance of the loan portfolio by keeping the non-performing loans ratio low. These departments are staffed with experienced personnel who prepare statistical reports showing portfolio evolution and trends of the market over time also highlighting high risk segments of the portfolio.

The collections operation has become particularly important for Retail Banking in recent years. Significant investments have been made to develop expertise in the area and to introduce advanced technology systems to help achieve the aforementioned goal. Financial Planning Services S.A. (FPS) was established in 2006 as the Group's household loans collection and servicing subsidiary rendering Eurobank the only Greek bank with a wholly owned subsidiary dedicated exclusively to remedial management for household loans and founded on international legal practises. The company uses external collection agencies and law firms to manage capacity and benchmark performance as needed.

The newly established Non-Performing Customer General Division, which reports directly to the CEO, is responsible for handling non-performing loans for all lending units except Consumer Loans, which are managed by Financial Planning Services.

Since the advent of the financial crisis, the Bank has undertaken a number of strategic initiatives with respect to collections and remedial management. These initiatives include:

- Monthly debt remedial management meetings at top management level to define strategies and monitor performance;
- Creation and/or reinforcement of centralised collection units in Retail Banking;
- Creation of a new centralised sector for the remedial management of Corporate Banking loans;
- Monitoring and handling of watch listed and problematic corporate customers by a specialised centralised unit at the pre-legal stage;
- Reinforcement of FPS and implementation of risk based collection policies at customer level for Retail Banking;
- Increased participation of network for Retail Banking and of relationship managers of Wholesale Banking to follow up and reduce early delinquencies;
- Prompt and thorough real estate property search and mechanisms for converting unsecured lending to secured;
- Development of forbearance policies and remedial actions for problematic customers who are deemed viable;
- Standardised forbearance products for Retail Banking;
- IT systems and processes enhancement;
- Re-organisation and reinforcement of the Non-Performing Customer General Division, including improvements to collection systems and legal processes, as well as improvement of the framework of cooperation with the Bank's legal services and external lawyers.

Recent Developments

The economic crisis in Greece (2013 was the sixth consecutive year of the recession) has resulted in an increase in the unemployment rate and the reduction of consumers' disposable income. The financial results of companies in Greece have deteriorated, particularly those of small and medium enterprises. As a result, there has been a significant increase of the delinquency ratios of the respective loan portfolios.

In order to mitigate the impact of these negative developments and safeguard the quality of its portfolios, the Bank has taken a number of actions:

- Adoption of stricter underwriting criteria;
- Full implementation of risk adjusted pricing for all loan portfolios;
- Increase of portfolios collateralisation and reduction of consumer portfolio;
- Extensive use of early warning systems as risk detection and prevention mechanisms;

- Establishment of additional committees for more frequent monitoring of watch listed and high-risk customers of wholesale banking;
- Analysis and evaluation of specific sectors of wholesale banking, and focused reviews of high risk areas in Retail Banking;
- More frequent re-evaluation of collaterals values;
- Active limits management and timely reduction/blocking based on risk;
- Frequent review and calibration of rating systems and related risk parameters (Probability of Default (“PD”), Loss Given Default (“LGD”) and Exposure of Default (“EAD”)) where required;
- Intensified collections management, as described above.

Basel II – Credit Risk

The rating systems employed by the Bank meet the requirements of the Basel II – Internal Ratings Based (IRB) approach. The bank is IRB certified since 2008 for the Greek portfolios, both corporate and retail (as detailed in Basel II, Pillar III disclosures available at the Bank’s website).

Specifically, with effect from 1 January 2008, following the approval of Bank of Greece, the Group applies:

- the Foundation IRB Approach for Eurobank’s corporate loans’ portfolio in Greece;
- the Advanced IRB Approach for Eurobank’s Retail loans’ portfolios in Greece, which includes mortgage loans, small business loans, credit cards and revolving consumer loans.

As at September 2009, the Foundation IRB Approach was also applied to Eurobank Leasing corporate portfolio, while in March 2010 consumer amortised loans (car and personal loans) were included in the Advanced IRB Approach, in accordance with the roll out plan.

As a result, as at 31 December 2013, the IRB approach covers the majority of the loan portfolios, and accounted for approximately 81 per cent. of all Eurobank Group loans.

Market Risk

The Group takes on exposure to market risks. Market risks arise from exposure on interest rate, currency and equity products or combination of them, all of which are exposed to general and specific market movements. Specifically, the market risks the Group is exposed to are the following:

Interest Rate Risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Risk Committee sets limits on the level of interest rate risk that may be undertaken and exposures are monitored daily.

Currency Risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Risk Committee sets limits on the level of exposures which are monitored daily.

Equity Risk

Equity price risk is the risk of the decrease of fair values as a result of changes in the levels of equity indices and the value of individual stocks. The equity risk that the Group undertakes, arises mainly from the investment portfolio. The Risk Committee sets limits on the level of the exposures which are monitored daily.

Market risk in Greece and Cyprus is managed and monitored using Value at Risk (VaR) methodology. Market risk in international operations is managed and monitored using mainly sensitivity analyses. Information from international operations is presented separately as it originates from significantly different economic environments with different risk characteristics.

Value at Risk (“VaR”)

VaR methodology is used to measure financial risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon. The VaR estimate used by the Group is based on a 99 per cent. confidence level and a holding period of one day, using the Monte Carlo simulation (full reprising) to calculate it.

VaR models are designed to measure market risk in a normal market environment. It is assumed that percentage changes in risk factors under normal conditions will follow a normal distribution.

Although VaR is an important tool for measuring market risk, it is based on assumptions which carry certain limitations. For this reason, actual outcomes are monitored regularly and back testing is used to check the validity of the assumptions and the parameters used in the VaR calculation.

As VaR constitutes an integral part of monitoring the market risks to which the Group is exposed, VaR limits have been established for all exposed areas (trading and investment portfolios), while Group management reviews actual exposure on a daily basis. Nevertheless, the use of this approach does not guarantee that there will be no losses outside of these limits in the event of extraordinary market movements.

Average VaR by risk type (Trading and Investment portfolios⁽¹⁾) – Greece and Cyprus

(€ in millions)	As at 31 December		
	2011	2012	2013
Interest Rate Risk.....	32	42	12
Foreign Exchange Risk	3	2	2
Equities Risk.....	9	5	4
Total VaR.....	36	42	14

Source: Published consolidated annual financial statements for the year ended 31 December 2013 (figures for 2012 have been derived from the comparative figures from 2013 consolidated annual financial statements) and published consolidated annual financial statements for the year ended 31 December 2012 (figures for 2011 have been derived from the comparative figures from the 2012 consolidated annual financial statements), which have been prepared by Eurobank in accordance with IFRS. Please see “Presentation of Financial and Other Information—Comparability of Results”.

⁽¹⁾ Interest rate volatility is applied to all portfolios. Credit spread volatility is applied only to Trading and Available-for-sale positions.

The aggregate VaR, which includes interest rate, foreign exchange and equities risk, benefits from risk diversification.

Interest Rate VaR takes into account the changes to the fair valuation of all the Group's items that are attributable to movements in the Interest Rates. This includes loans and deposits, as well as securities and derivatives held by the Group. Despite the large relative size of the loan and deposit portfolio, its timing and amount matching, combined with the current level of interest rates, mean that the incremental contribution of these items to the Interest Rate VaR is not material. The largest portion of the Group's Interest rate VaR figures is attributable to the risk associated with interest rate sensitive securities and derivatives.

Liquidity Risk

The Group is exposed daily to liquidity risks due to deposit withdrawals, maturity of medium or long-term notes, loan draw-downs and guarantees. Furthermore, changes in pledged accounts for secured funding transactions (repo-type agreements from the ECB and the market) and for risk mitigation contracts involving collateral swaps (CSAs, GMRA) result in liquidity exposure. The Group maintains cash resources to meet all of these needs. The Risk Committee sets liquidity limits to ensure that sufficient funds are available to meet any contingencies.

Past experience has shown that liquidity requirements to support calls under guarantees and standby letters of credit are considerably lower than the amount of the commitment. This also applies to credit commitments where the outstanding contractual amount to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded or called.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is a fundamental principle to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group.

Liquidity Risk Management Framework

The Group's Liquidity Risk Management Policy defines the following supervisory and control structure:

- The Risk Committee's role is to approve all strategic liquidity risk management decisions and monitor the quantitative and qualitative aspects of liquidity risk.
- The G-ALCO is mandated to form and implement the liquidity policies and guidelines in conformity with Group's risk appetite and to review the overall liquidity position on a monthly basis.
- Group Treasury is responsible for implementing the Group's liquidity strategy, the daily management of the Group's liquidity and preparing, as well as monitoring the Group's liquidity budget.
- The Global Market and Counterparty Risk Sector is responsible for measuring, monitoring and reporting on the liquidity of the Group.

The following reports are prepared periodically:

- The regulatory liquidity gap report along with regulatory liquidity ratios;
- Stress test scenarios. These scenarios evaluate the impact of a number of systemic stress events on the Group's liquidity position; and
- Liquidity warning indicators.

Operational Risk

Acknowledging the fact that operational risk is embedded in every business activity undertaken, the Group's organisational governance stems from the Board of Directors through the Executive Committee and senior management to the Heads and staff of every business unit. The organisational governance is applicable to all jurisdictions accordingly.

Each Group banking subsidiary has established an Operational Risk Unit which is responsible for applying the Group's operational risk strategy and framework in the jurisdiction in which the banking subsidiary operates.

The Board of Directors monitors, through the BRC, the operational risk level and profile, including the magnitude of operational losses, their frequency and severity, and through the Audit Committee the status of operational risk-related control issues. The Operational Risk Committee functioning in each country assesses operational risk, ensures that each business unit has appropriate policies and procedures for the control of its operational risk and that prompt corrective action is taken when a high-risk area is identified.

The prime responsibility for operational risk management lies with the respective heads of each business unit. The Operational Risk Sector is responsible for defining and rolling out the methodology for the identification, assessment, reporting of operational risk within Board/Risk Committee decisions; implementing regulatory requirements and Group guidelines, monitoring the operational risk level and profile and reporting thereon to the BRC, as well as for defining and rolling out the methodology for the calculation of the regulatory capital charge for operational risk.

The Group's operational risk management framework and related policies aim to:

- establish the operational risk framework and governance, aligning structure and procedures with best international banking practices;
- introduce risk identification processes, such as risk assessment, key risk indicators where appropriate and operational risk events;
- establish a common definition and consistent approach for operational risk, to enable common identification and aggregation of operational risk across the Group;
- establish a proactive operational risk management culture across the Group, linking business operations with the objectives of risk control;
- establish comprehensive and integrated operational risk reporting;
- adhere to the Group guidelines and meet local regulatory requirements and practices relating to operational risk in the jurisdictions in which the Bank operates;
- allow us to achieve a competitive advantage in terms of operational risk management through risk-based decision making; and
- leverage international knowledge and best practices on operational risk management.

Eurobank has adopted the Standardised Approach for the calculation of operational risk capital requirements, as stipulated in Directive 2006/48/EC and in accordance with the Acts of the Governor of the Bank of Greece.

Capital Adequacy

The following table presents the Group's total regulatory capital, total risk-weighted assets and capital adequacy as at 31 December 2011, 31 December 2012 and 31 December 2013:

Capital Adequacy Ratios	As at for the year ended 31 December		
	2011⁽¹⁾	2012⁽²⁾	2013⁽³⁾⁽⁴⁾
<i>(in € million)</i>			
Ordinary and Preferred shareholders' equity.....	5,406	4,941	4,242
Add: Regulatory non-controlling interest.....	210	209	415
Less: Goodwill.....	(299)	(258)	(116)
Less: Other regulatory adjustments.....	(310)	(471)	(280)
Total Tier I capital.....	5,007	4,421	4,260
Tier II capital-subordinated debt.....	468	290	267
Less: Other regulatory adjustments.....	(259)	(290)	(9)
Total Regulatory Capital.....	5,216	4,421	4,518
Risk-weighted assets.....	43,647	37,999	37,166

Ratios:

Equity Tier I.....	—	—	9.8%
Core Tier I.....	9.8%	10.8%	11.3%
Tier I.....	11.5%	11.6%	11.5%
Total Capital (Tier I and Tier II) Ratio.....	12.0%	11.6%	12.2%

(1) Excluding PSI and including the HFSF's advance payment of €3.97 billion.

(2) Pro forma ratios include the HFSF recapitalisation of €5.8 billion calculated according to Governor's Act 2630/2010 of the Bank of Greece.

(3) According to new definition of capital set by Bank of Greece pursuant to Act 36/23.12.2013 of its Executive Committee.

(4) Pro forma for capital ratios as at 31 December 2013 to include the transaction with Fairfax (completed in February 2014) and the application of the IRB methodology to New TT HPB's mortgage portfolio.

As at 31 December 2013, pursuant to Act 36/23.12.2013 of the Executive Committee of the Bank of Greece that entitles the Bank to calculate in the Bank's Core Tier 1 capital the total amount of deferred tax assets, and without taking into account any of the actions that were already under way to further enhance the Bank's capital, the Bank had a Core Tier 1 ratio of 10.4 per cent. and following the completion of the transaction with Fairfax and the application of the IRB methodology to New TT HPB's mortgage portfolio, the Bank would have had a pro forma Core Tier 1 ratio of 11.3 per cent. On a pro forma basis, including the transaction with Fairfax and the application of the IRB methodology to New TT HPB's mortgage portfolio, and as the Bank raised €2,864 million in the Share Capital Increase, as at 31 December 2013, the Bank's Core Tier 1 ratio would have been 19.0 per cent., including the total amount of the Bank's deferred tax assets permitted by the new Act 36/23.12.2013 of the Executive Committee of the Bank of Greece, which exceeds the 9 per cent. minimum capital adequacy level required by the Bank of Greece.

Based on the above assumptions and assuming the full implementation of the Basel III rules in effect as of 1 January 2014, the Bank's pro forma Common Equity Tier 1 ratio and total capital adequacy ratio would have been 10.6 per cent. as at 31 December 2013.

ERB HELLAS PLC

Introduction

ERB Hellas PLC was incorporated as EFG Finance PLC under the laws of England and Wales on 29 June 1999 as a public limited company with number 3798157. On 16 July 1999 the name of EFG Finance PLC was changed to EFG Hellas PLC and on 11 October 2012 was changed to ERB Hellas PLC. The registered office of ERB Hellas PLC is at 1st Floor, 25 Berkeley Square, London W1J 6HN, United Kingdom and its telephone number is +44 (0) 20 7973 8630.

ERB Hellas PLC was acquired by EFG Eurobank S.A. (now Eurobank Ergasias S.A. or the Bank) on 30 September 1999 and the share capital of ERB Hellas PLC continues to be held, directly or indirectly, by the Bank. ERB Hellas PLC does not, as at the date of this Prospectus, have any subsidiaries.

Directors

The Directors of ERB Hellas PLC and their respective business are as follows:

<i>Name</i>	<i>Business Address</i>
Mr. A. Ioannidis	8 Othonos Street, Athens, GR 10557
Mr. F. Karavias	20 Amalias Av. & 5 Souri Str, Athens GR 105 57

Apart from the activities pertaining to his function and position, no Director conducts any activities outside ERB Hellas PLC and the Group which are significant with respect to ERB Hellas PLC.

The Secretary of ERB Hellas PLC is Mrs. H. Fotineas.

ERB Hellas PLC has no employees or non-executive Directors.

ERB Hellas PLC is not aware of any potential conflicts of interest between the duties to ERB Hellas PLC of each of the members of the Board of Directors and his/her private interests or other duties.

To the best of its knowledge and belief, ERB Hellas PLC complies with the laws and regulations of the United Kingdom regarding corporate governance.

ERB Hellas PLC does not have an audit committee.

Activities

The share capital of ERB Hellas PLC was acquired, directly or indirectly, by the Bank (formerly ERB Eurobank S.A.) with the intention that ERB Hellas PLC should operate as a financing vehicle for the Bank and its subsidiaries. ERB Hellas PLC is a finance company whose sole business is raising debt to be deposited with the Bank on an arm's length basis. ERB Hellas PLC is accordingly dependent on the Bank paying interest on the deposited balances. Under some issues, ERB Hellas PLC also enters into swap arrangements with third parties, with the Bank acting as credit support provider.

In August 2001 ERB Hellas PLC began issuing commercial paper. The notes and commercial paper outstanding have been guaranteed by the Bank. The net proceeds of the notes and commercial paper issued have been applied by ERB Hellas PLC to meet the general financing requirements of its immediate parent, the Bank, and its subsidiaries.

Share Capital

The authorised and issued share capital of ERB Hellas PLC is £50,000. The allotted and paid up share capital of ERB Hellas PLC is £12,500, divided into 50,000 ordinary shares of a nominal value of £1 each, paid up as to 25p each. The paid up share capital of £12,500 is reflected in the financial statements as €19,216 based on the prevailing exchange rate at 31 December 2002 of €1/£0.6505. The entire issued share capital of ERB Hellas PLC is, directly and indirectly, owned by the Bank.

Corporate Objects

The corporate objects of ERB Hellas PLC are set out in paragraph 4 on page 1 of its Memorandum of Association. They include carrying on the business of a general commercial company or any trade or business whatsoever and borrowing or raising money by any method and obtaining any form of credit or finance (including by issuing securities of any kind). A copy of the Memorandum of Association is available for inspection at the registered office of ERB Hellas PLC and at the specified office of the Issue and Paying Agent and the Paying Agent in Luxembourg.

Dividends

At the Meeting of the Board of Directors of ERB Hellas PLC on 9 July 2013, the Directors declared payable an interim dividend amounting to €1,965,000.00.

Selected Financial Information

Since the euro forms substantially the main currency in which business is transacted, ERB Hellas PLC changed its reporting currency from pounds sterling to euros with effect from 1 January 2003.

The following selected financial information has been extracted without material adjustment from the audited financial statements of ERB Hellas PLC for the years ended 31 December 2013 and 31 December 2012, in each case prepared in accordance with IFRS as adopted in the EU.

Statement of Comprehensive Income

	31.12.2013	31.12.2012
	€'000	€'000
Interest and similar income.....	12,411	85,829
Interest expense and similar charges	(11,642)	(83,170)
Net interest income.....	769	2,659
Net gains/(losses) from financial instruments	0	0
Foreign exchange losses.....	(19)	(8)
Operating expenses	(127)	(168)
Profit before income tax.....	623	2,483
Income tax expense	(201)	(514)
Net profit for the year attributable to the owners of the Parent Company	422	1,969
Other comprehensive income	-	-
Total comprehensive income for the year attributable to the owners of the Parent Company.....	422	1,969

Balance Sheet

	31.12.2013	31.12.2012
	€'000	€'000
Assets		
Deposits with banks.....	576,305	1,307,622
Derivative financial instruments.....	17,840	18,055
Total assets.....	594,145	1,325,677
Liabilities		
Due to banks	16,540	13,780
Liabilities evidenced by paper at amortised cost	381,081	1,077,909
Liabilities evidenced by paper designated at fair value	195,131	230,386
Derivative financial instruments.....	720	1,278
Income tax payable and other liabilities.....	213	321
Total liabilities	593,685	1,323,674
Equity		
Share capital	19	19
Retained earnings	441	1,984
Total equity	460	2,003
Total equity and liabilities.....	594,145	1,325,677

ERB HELLAS (CAYMAN ISLANDS) LIMITED

Introduction

ERB Hellas (Cayman Islands) Limited was incorporated under the laws of the Cayman Islands on 26 April 2002 as an exempted company with limited liability with number CR 117363. On 4 October 2012, the name of EFG Hellas (Cayman Islands) Limited was changed to ERB Hellas (Cayman Islands) Limited. The registered office of ERB Hellas (Cayman Islands) Limited is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands and its telephone number is c/o Codan Trust Company (Cayman) Limited +1 (345) 949 1040.

At a meeting of the Board of Directors of ERB Hellas (Cayman Islands) Limited held on 15 May 2002, the Directors approved the transfer and issue of shares in ERB Hellas (Cayman Islands) Limited to the Bank. The entire issued share capital of ERB Hellas (Cayman Islands) Limited is held indirectly by the Bank via its subsidiary EFG New Europe Funding III Ltd, a company incorporated in Cyprus. ERB Hellas (Cayman Islands) Limited does not, as at the date of this Prospectus, have any subsidiaries.

Directors

The Directors of ERB Hellas (Cayman Islands) Limited and their respective business addresses are as follows:

<i>Name</i>	<i>Business Address</i>
Mr. A. Ioannidis	8 Othonos Street, Athens, GR 10557
Mr. F. Karavias	20 Amalias Av. & 5 Souri Str, Athens GR 105 57

Apart from the activities pertaining to his function and position, no Director conducts any activities outside ERB Hellas (Cayman Islands) Limited and the Group which are significant with respect to ERB Hellas (Cayman Islands) Limited.

The Secretary of ERB Hellas (Cayman Islands) Limited is Mrs. H. Fotineas.

ERB Hellas (Cayman Islands) Limited has no employees or non-executive Directors.

ERB Hellas (Cayman Islands) Limited is not aware of any potential conflicts of interest between the duties to ERB Hellas (Cayman Islands) Limited of each of the members of the Board of Directors and his/her private interests or other duties.

To the best of its knowledge and belief, ERB Hellas (Cayman Islands) Limited complies with the Companies Law (2013 Revision) of the Cayman Islands regarding corporate governance.

ERB Hellas (Cayman Islands) Limited does not have an audit committee.

Activities

The share capital of ERB Hellas (Cayman Islands) Limited was acquired, directly or indirectly, by the Bank with the intention that ERB Hellas (Cayman Islands) Limited should operate as a financing vehicle for the Bank and its subsidiaries.

ERB Hellas (Cayman Islands) Limited is a finance company whose sole business is raising debt to be deposited with the Bank on an arm's length basis. ERB Hellas (Cayman Islands) Limited is accordingly dependent on the Bank paying interest on the deposited balances. In addition, some issues are coupled with a swap arrangement with the Bank, which are on an arm's length basis.

The notes outstanding have been guaranteed by the Bank. The net proceeds of the notes have been applied by ERB Hellas (Cayman Islands) Limited to meet the general financing requirements of its immediate parent, the Bank, and its subsidiaries.

In March 2008 ERB Hellas (Cayman Islands) Limited established a U.S.\$2,000,000,000 programme for the issuance of debt instruments to qualified investment buyers in the United States. As at the date of this Prospectus, no notes have been issued under this programme.

Share Capital

The authorised share capital of ERB Hellas (Cayman Islands) Limited amounts to U.S.\$150,050,000, of which: (i) U.S.\$50,000 is divided into 50,000 ordinary shares of a nominal or par value of U.S.\$1 each and (ii) U.S.\$150,000,000 is divided into 1,500 preference shares of a nominal or par value of U.S.\$100,000 each. The issued share capital of ERB Hellas (Cayman Islands) Limited is 50,000 ordinary shares of a nominal value of U.S.\$1 each. The allotted and paid up share capital is U.S.\$15,001, divided into 49,999 ordinary shares of a nominal value of U.S.\$1 each, paid up as to U.S.\$0.30 each and one ordinary share of a nominal or par value of U.S.\$1, fully paid up. The paid up share capital of U.S.\$15,001 is reflected in the financial statements as €16,436 based on the prevailing exchange rate of €1/U.S.\$0.9127 on the date of issue. The entire issued share capital of ERB Hellas (Cayman Islands) Limited is held indirectly by the Bank via its subsidiary ERB New Europe Funding III Limited, incorporated in Cyprus.

Corporate Objects

The corporate objects of ERB Hellas (Cayman Islands) Limited are set out in paragraph 3 on page 1 of its Memorandum of Association. The objects for which ERB Hellas (Cayman Islands) Limited is established are unrestricted and the company shall have full power and authority to carry out any object not prohibited by the Companies Law (2007 Revision) of the Cayman Islands or as the same may be revised from time to time, or any other law of the Cayman Islands. A copy of the Memorandum of Association is available for inspection at the registered office of ERB Hellas (Cayman Islands) Limited and at the specified office of the Issue and Paying Agent and the Paying Agent in Luxembourg.

Dividends

Since the date of incorporation of ERB Hellas (Cayman Islands) Limited, no dividends have been declared or paid.

Selected Financial Information

Since the euro forms substantially the main currency in which business is transacted, the financial information of ERB Hellas (Cayman Islands) Limited is reported in euros.

The following selected financial information has been extracted without material adjustment from the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the years ended 31 December 2013 and 31 December 2012, in each case prepared in accordance with IFRS as adopted in the EU.

Statement of Comprehensive Income

	31.12.2013	31.12.2012
	€'000	€'000
Interest and similar income.....	14,523	14,956
Interest expense and similar charges	(16,430)	(16,982)
Net interest income.....	(1,907)	(2,026)
Net gains / (losses) from financial instruments	136	52,273
Dividend income	6,597	8,828
Foreign exchange gains/(losses).....	(25)	(8)
Operating expenses	(91)	(60)
Profit / (loss) before income tax.....	4,710	59,007
Income tax expense	-	-
Net profit / (loss) for the year attributable to the owners of the Parent Company	4,710	59,007
Available for sale securities, changes in fair value that may be reclassified subsequent to profit/(loss)	43,142	(59,101)
Total comprehensive income for the year attributable to the owners of the Parent Company	47,852	(94)

Balance Sheet

	31.12.2013	31.12.2012
	€'000	€'000
Assets		
Deposits with banks.....	153,293	172,642
Investment Securities	460,215	417,133
Derivative financial instruments.....	-	209
Other assets	5	-
Total assets	613,513	589,984
Liabilities		
Liabilities evidenced by paper at amortised cost	406,073	420,945
Liabilities evidenced by paper designated at fair value	158,825	161,093
Derivative financial instruments.....	139	7,198
Other liabilities.....	53	177
Total liabilities	565,090	589,413
Equity		
Share capital	16	16
Other reserves.....	48,407	555
Total equity	48,423	571
Total equity and liabilities	613,513	589,984

THE BANKING SECTOR AND THE ECONOMIC CRISIS IN GREECE

The Structure of the Banking Sector in Greece and Recent Developments

The banking sector in Greece has expanded rapidly since 1992 due to deregulation, Greece's entry into the Eurozone and technological advances. The growth of the sector was the result of both organic expansion and mergers and acquisitions primarily in the wider region of SEE, where a number of Greek banks operate. Nevertheless, as a result of the international financial crisis beginning in 2008, and the emergence of the fiscal crisis in Greece in the last quarter of 2009, the Greek banking system has experienced particularly challenging conditions. As a result of the deteriorating fiscal condition in Greece, international credit rating agencies downgraded Greece's credit ratings, adversely affecting the credit ratings of Greek banks.

The liquidity of Greek banks has been materially and adversely affected by:

- successive downgrades of Greece's credit ratings;
- the outflow of customer deposits from 2010 to 2012 as a result of the uncertainty in market conditions;
- the restructuring of the Greek public debt through the PSI;
- uncertainty during 2010 regarding Greece's continued participation in the Eurozone, which was reduced following the formation of a government in June 2012;
- the deterioration of the quality of the loan portfolios of Greek banks; and
- the Greek banks' lack of access to international capital markets.

Due to these factors, Greek banks have been forced to rely on the financial resources provided to them by the Hellenic Republic Bank Support Plan, pursuant to Law 3723/2008. The primary source of liquidity for Greek banks in recent years has been the ECB's collateral-based financing operations.

The Bank of Greece and the Greek Government have adopted a series of actions to protect the financial stability and safety of customer deposits, including: covering the short-term liquidity needs of Greek banks by providing the possibility of recourse to the ELA; ensuring the adequacy of public resources available to cover the required recapitalisation and the cost of restructuring the Greek banking sector between the years 2012 and 2014 estimated to be €50 billion; the rehabilitation of weak Greek banks; and a requirement that all Greek banks increase their capital base to a conservatively estimated adequate level.

In March 2012, the Bank of Greece prepared a strategic review of the banking sector. The review evaluated the sustainability prospects of Greek banks by applying a wide set of supervisory and operational criteria and using financial and supervisory data, as well as data from BlackRock's 2011 diagnostic assessment of the Greek banking sector commissioned by the Bank of Greece (the "BlackRock Diagnostic Assessment"). The results of the review concluded that Greece had four systemic banks (National Bank of Greece S.A., Eurobank, Alpha Bank S.A. and Piraeus Bank S.A.) which were deemed fit to receive public support (the "Four Systemic Banks"). In May 2012, the Bank of Greece estimated that the aggregate capital required to support all Greek banks so as to meet the minimum required levels of Core Tier I capital from 2012 to 2014 was €40.5 billion, out of which €27.5 billion was estimated to be required for the Four Systemic Banks. Eurobank's capital needs were estimated to be €5.839 billion. The Bank of Greece re-confirmed these estimates in October 2012 and December 2012 and used them as the basis for determining that €50 billion would be appropriate to cover the recapitalisation and restructuring costs of the Greek banking sector.

The Hellenic Financial Stability Fund ("HFSF") was founded in July 2010 under Law 3864/2010 as a private legal entity. It has administrative and financial autonomy and operates exclusively under the

rules of the private economy. Under Law 3864/2010, as amended pursuant to Law 4254/2014, the purpose of the HFSF is to contribute to the maintenance of the stability of the Greek banking system for the sake of public interest, with the HFSF acting in line with the commitments of the Hellenic Republic under Law 4046/2012 relating to the Second Economic Adjustment Programme, as such commitments are updated from time to time. For more information about the HFSF please see “—The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme—Recapitalisation Framework Reform”.

The recapitalisation plan for the Four Systemic Banks was established by Law 3864/2010, Cabinet Act No. 15, dated 3 May 2012, and Cabinet Act No. 38, dated 9 November 2012 (the “Recapitalisation Plan”). Prior to reform of the recapitalisation framework as set forth in Law 4254/2014, the Recapitalisation Plan comprised three steps:

1. bridge recapitalisation by the HFSF as an advance against the future share capital increases of the Four Systemic Banks;
2. receiving all necessary shareholder approvals for the issue of Contingent Convertible Securities by the Four Systemic Banks, with the amounts determined in line with the Recapitalisation Plan; and
3. completion of a share capital increase by each of the Four Systemic Banks during the second quarter of 2013, with the HFSF, acting as guarantor, subscribing for shares not taken-up by private sector investors.

Pursuant to the terms of the third phase of the Recapitalisation Plan outlined above, Alpha Bank S.A., Piraeus Bank S.A. and National Bank of Greece S.A. raised the minimum of 10 per cent. of the required amount of their respective capital increases from private sector investors, with the HFSF providing the balance. As a result, pursuant to Law 3864/2010, the HFSF’s voting rights in respect of those banks’ remaining capital contribution are restricted to voting rights solely with respect to resolutions amending those banks’ articles of association, including share capital increases or decreases, granting a relevant authorisation to their Board of Directors, mergers, divisions, conversions, revivals, extensions of the term or dissolution of the company, the transfer of assets, including the sale of subsidiaries or any other matter requiring an increased majority, in accordance with Law 2190/1920. On 31 May 2013, Eurobank completed its recapitalisation of €5,839 million and received capital support under Law 3864/2010 exclusively from the HFSF (without participation from private sector investors). As a result, the HFSF acquired unrestricted shareholder voting rights in respect of its shareholdings in the Bank. Following the successful participation of private investors in the Share Capital Increase of the Bank which exceeded the minimum requirement of 50 per cent., the HFSF’s voting rights in the Bank will now be exercised as above, in accordance with the provisions of article 7A, paragraph 2(b) of Law 3864/2010, as amended pursuant to Law 4254/2014.

Against this background and as envisaged in the May 2013 Memorandum of Economic and Financial Policies under the Second Economic Adjustment Programme, the Bank of Greece conducted a follow-up stress test on the basis of data as at 30 June 2013 to update its assessment of the capital needs of Greek banks on a consolidated basis. The updated stress test, which covered all Greek commercial banks (i.e., more than 95 per cent. of the total assets of Greek banks), comprised two main elements:

- a diagnostic study of the banks’ loan portfolios independently conducted by BlackRock; and
- a conservative adjustment of banks’ internal capital generation on the basis of their restructuring plans.

Under a baseline scenario, the estimated capital needs for all Greek commercial banks amounted to €6.4 billion. The Bank of Greece officially requested banks to submit by mid-April 2014 their capital

plans for covering the identified capital needs under the baseline scenario. The Bank of Greece indicated that, under reasonable levels of economic uncertainty, these capital needs should be covered during the stress test horizon (June 2013 to December 2016) by existing built-in buffers and mitigating actions, as well as the untapped portion of the HFSF's backstop facility.

The recapitalisation of the Greek banks that occurred in May 2013, together with the restructuring of the Greek banking sector, was intended over time to restore market and depositor confidence. In a recent press release dated 19 March 2014, the Troika stated that the Greek authorities are committed to taking all necessary action to ensure that Greek banks remain healthy and adequately capitalised and are in a position to support the economic recovery in Greece. The Troika further stated that the Greek authorities are also committed to significantly strengthening the private sector debt resolution framework and facilitating the orderly and swift workout of impaired bank assets, and called upon the Bank of Greece to maintain its vigilant oversight of the banking system by requiring Greek banks to quickly work out their large stock of problem assets. Noting the results of the Bank of Greece's updated stress test results and capital needs estimates, the Troika emphasised the need for the Greek authorities and the banking sector to urgently and efficiently address the high level of non-performing loans. It also stated that a swift recapitalisation of Greek banks will strengthen their balance sheets, and the envisaged injection of private capital into the Greek banks will help to strengthen the private management of Greek banks. Finally, the Troika announced that the buffers in the HFSF will be retained to meet future adverse contingencies.

Commercial Banks

According to the Bank of Greece, there were 40 credit institutions, including banking cooperatives, incorporated and operating in Greece in December 2013, compared to 48 in May 2013.

As at the date of this Prospectus, all but one of the banks in the Greek banking market are commercial banks. There is only one specialised credit institution, the Consignment Deposits and Loans Fund, the status of which is currently under review.

Consolidation

Since the onset of the crisis in Greece, Greek banks have undergone a phase of significant consolidation. Seven banks, including Proton Bank, T-Bank, TT Hellenic Postbank, the Agricultural Bank of Greece S.A. ("ATEbank"), First Business Bank S.A. and Probank S.A. were placed in liquidation, with selected assets and liabilities being transferred to other credit institutions.

In 2012, Alpha Bank S.A. acquired Emporiki Bank S.A., and Piraeus Bank S.A. acquired Société Générale's Greek subsidiary, Geniki Bank S.A., and selected assets and liabilities of ATEbank.

During the first nine months of 2013, Piraeus Bank S.A. acquired all deposits, loans and branches in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank, including the loans and deposits of their subsidiaries in Greece, as well as Millennium Bank S.A. from Banco Comercial Português, S.A., while National Bank of Greece S.A. acquired the viable assets of First Business Bank S.A. and Probank S.A. which have been placed under liquidation.

On 30 August 2013, Eurobank completed the acquisitions of New TT HPB and New Proton Bank, which occurred in the context of the on-going consolidation of the Greek banking sector. These acquisitions have contributed significantly to Eurobank's Greek and international footprint.

On 8 December 2013, the Bank of Greece revoked the licenses of three banking cooperatives, Cooperative Bank of West Macedonia, Cooperative Bank of Evoia and Cooperative Bank of Dodecanese, and selective assets and liabilities of each of these banking cooperatives were transferred to Alpha Bank S.A.

Competition in the Greek Banking Market

Greece's entry into the Eurozone in 2001 redefined the strategic goals and the activities of Greek financial institutions, with rapid technological developments and the integration of the financial and capital markets resulting from a significant number of mergers and acquisitions in the banking sector during the 2006–2008 period. The economic crisis in Greece since 2009 has posed significant new challenges for the industry. Notwithstanding the economic crisis, Greek banks have continued to expand their activities, and the largest Greek banks have continued to maintain or expand their market shares.

The four largest commercial banks, measured by gross customer loans, are Alpha Bank, Eurobank, National Bank of Greece S.A. and Piraeus Bank S.A., which according to publicly available information, as well as information provided by the database of the Bank of Greece, control 93 per cent. of the Greek market as at 31 December 2013.

Foreign Banks

According to the Bank of Greece, in December 2013 there were 19 branches of foreign banks operating in the Greek banking market. As at the date of this Prospectus, the branches of foreign banks with the largest operations in Greece are Citibank and HSBC Bank plc.

The Hellenic Republic Bank Support Plan

In November 2008, the Greek Parliament passed Law 3723/2008, which sets out the Hellenic Republic Bank Support Plan. The law was passed with the goal of strengthening the capital and liquidity positions of Greek banks in an effort to safeguard the Greek economy from the adverse effects of the global financial crisis. The Hellenic Republic Bank Support Plan was revised by subsequent legislation and ministerial decisions which abolished the compulsory redemption of the preference shares of Pillar I referred to below at the end of the five-year period after their issue date against an increase of their return by 2 per cent. per annum on a cumulative basis after such period has ended, amended the prohibition on the payment of dividends, increased the total amount that can be provided by the Hellenic Republic under Pillar II referred to below, extended the duration of the plan, with respect to Pillar I, until 31 December 2013, and with respect to Pillars II and III, until 30 June 2014 and increased, from 1 January 2012 onwards, the commission paid to the Hellenic Republic for the provision of guarantees under Pillar II.

The Hellenic Republic Bank Support Plan, as currently applicable, comprises the following three pillars, each of which is summarised below:

Pillar I: Up to €5 billion in non-dilutive capital designed to increase Tier I ratios. The capital takes the form of non-transferable, non-voting, redeemable preference shares (the "Preference Shares") with a 10 per cent. fixed return. The fixed return is payable in any case, unless either article 44a of Law 2190/1920 applies or payment of the relevant amount would result in the reduction of the Core Tier I capital of the participating bank below the prescribed minimum level. The issue price of the Preference Shares must be the nominal value of the common shares of the last issue of each participating bank. The Preference Shares are redeemable at their issue price either within five years from the date of their issue or, at the election of a participating bank, earlier with the approval of the Bank of Greece, against Greek Government bonds of equal value or cash of equal value. At the time the Preference Shares are redeemed for Greek Government bonds, the nominal value of the bonds must be equal to the initial nominal value of the bonds used for the subscription of the Preference Shares. Moreover, the bonds should mature on the redemption date of the Preference Shares or within a period of up to three months from such date. In addition, on the redemption date of the Preference Shares, the market price of the bonds should be equal to their nominal value. If this is not the case, then any difference between their market value and their nominal value shall be settled by payment in cash between the participating bank and the Greek Government. On the date of redemption, the fixed dividend return of 10 per cent. will also be paid to the Hellenic Republic. In

case they are not redeemed within five years from their issue or no decision has been adopted by the participating bank's general meeting of shareholders on redemption, the Minister of Finance shall impose, pursuant to a recommendation by the Bank of Greece, a cumulative increase of 2 per cent. per year on the 10 per cent. fixed return. Pursuant to a decision by the Minister of Finance, following a recommendation by the Governor of the Bank of Greece, the participating banks will be required to convert the Preference Shares into ordinary shares or another existing class of shares if redemption is not possible due to noncompliance by the participating bank with the minimum capital adequacy requirements set by the Bank of Greece. The conversion ratio will be determined by virtue of the above decision of the Minister of Finance and will take into account the average market price of the participating bank's ordinary shares during the calendar year preceding such conversion. Pillar I ceased to apply as of 1 January 2014.

Pillar II: Up to €85 billion in Hellenic Republic guarantees. These guarantees are in respect of new borrowings by all participating banks (excluding interbank borrowings) concluded through 30 June 2014 (whether in the form of debt instruments or otherwise) and with a maturity ranging from three months to three years. These guarantees are granted to participating banks that meet the minimum capital adequacy requirements set by the Bank of Greece as well as criteria set out in Decision 54201/B2884/2008 of the Minister of Finance regarding capital adequacy, market share size and the maturity of liabilities and share of the mortgage and SME lending market. The terms under which guarantees are granted to participating banks, participating banks are included in Decisions 2/5121/2009 and 29850/B1465/2010 of the Minister of Finance.

Pillar III: Up to €8 billion in debt instruments. These debt instruments have maturities of less than three years and may be issued by the Greek Public Debt Management Agency (the "PDMA") through 30 June 2014 to participating banks meeting the minimum capital adequacy requirements set by the Bank of Greece. The debt instruments bear no interest and are issued at their nominal value in denominations of €1 million. They are issued by virtue of a bilateral agreement executed between the participating bank and the PDMA. At the applicable termination date of the bilateral agreement (irrespective of the maturity date of the debt instruments) or at the date Law 3723/2008 ceases to apply to a bank, the debt instruments must be repaid. The participating banks must use the debt instruments received only as collateral for refinancing, in connection with fixed facilities from the ECB, and/or for purposes of interbank financing. The proceeds of liquidation of such instruments must be used to finance mortgage loans and loans to SMEs on competitive terms.

Participating banks that use either the capital (Pillar I) or guarantee (Pillar II) facilities will have to accept a government-appointed director. The director will be added to the existing directors of the participating banks and will have veto power over certain corporate decisions at board level pertaining to directors and senior management compensation and dividend policy, as well as to matters of strategic importance or which may materially change the financial and legal standing and require approval by the general meeting of the participating banks' shareholders. The government-appointed director, however, may only use its veto power following a decision of the Minister of Finance or if he or she considers that the relevant corporate decisions may jeopardise the interests of depositors or materially affect the solvency and orderly operation of the participating bank. In addition, participating banks will be required to limit maximum executive compensation to that of the Governor of the Bank of Greece, and must not pay bonuses to senior management as long as they participate in the Hellenic Republic Bank Support Plan. Also, during that period, dividend payouts for those banks will be limited to up to 35 per cent. of distributable profits of the participating bank (at the parent company level). According to Law 3756/2009, participating banks may only distribute dividends to holders of ordinary shares exclusively in the form of ordinary shares in relation to financial years 2008-2012, which must not be from treasury shares, and may not purchase treasury shares.

Further, participating banks are obliged not to pursue aggressive commercial strategies, including advertising the support they receive from the plan, in an attempt to compete favourably against competitors that do not enjoy the same support. Participating banks are also obliged to avoid

expanding their activities or pursuing other aims, in such a way that would lead to unjustifiable distortions of competition. To this end, the participating banks must ensure that the mean growth rate of their assets on a yearly basis will not exceed the highest of the following ratios:

- the Hellenic Republic's nominal GDP growth rate for the preceding year;
- the mean annual asset growth rate of the banking sector during the 1987–2007 period; or
- the mean annual asset growth rate of the EU banking sector during the past six months.

To oversee the implementation and regulation of the Hellenic Republic Bank Support Plan, Law 3723/2008 provided for the establishment of a supervision council (the "Council"). The Council is chaired by the Minister of Finance. Members currently include the Governor of the Bank of Greece, the Deputy Minister of Finance (who is responsible for the Greek General Accounting Office) and the government-appointed directors of each of the participating banks. The Council convenes on a monthly basis and has a mandate to supervise the correct and effective implementation of the Hellenic Republic Bank Support Plan and to ensure that the resulting liquidity is used for the benefit of the depositors, the borrowers and the Greek economy overall. Participating banks that fail to comply with the terms of the Hellenic Republic Bank Support Plan will be subject to certain sanctions, and the liquidity and guarantees provided to them may be revoked in whole or in part.

In the framework of Pillar I, Eurobank issued 345,500,000 Preference Shares at a nominal value of €2.75 per Preference Share, which were fully subscribed by the Hellenic Republic through the transfer to the Bank of an equivalent amount of Greek Government bonds, in accordance with Law 3723/2008. The contributed Greek Government Bonds matured on 21 May 2014 and were replaced with cash of equal value. In the framework of Pillar II, Eurobank has issued bonds with the guarantee of the Hellenic Republic, with a total nominal value of €16,276 million as at 31 December 2012. Bonds with the guarantee of the Hellenic Republic with a value of €2,344 million matured in February 2013.

Since December 2011, Eurobank has not participated in Pillar III. However, as at 28 March 2014, the Bank has borrowed special bonds issued by the PDMA with a principal amount of €1,918 million under Pillar III of the Hellenic Republic Bank Support Plan. These bonds mature on 25 April 2016.

Of the other banks in Greece participating in the Hellenic Republic Bank Support Plan, National Bank of Greece S.A. increased its share capital by €1,350 million, Piraeus Bank S.A. by €750 million, Alpha Bank S.A. by €940 million, ATEbank (subsequently placed in liquidation with selected assets and liabilities acquired by Piraeus Bank S.A.) by €675 million, the Hellenic Postal Savings Bank (subsequently placed in liquidation with selected assets and liabilities acquired by Eurobank) by €225 million, Attica Bank S.A. by €100 million, Proton Bank S.A. (subsequently placed in liquidation, with certain assets forming New Proton Bank S.A.) by €80 million and First Business Bank S.A. (subsequently placed in liquidation with selected assets and liabilities acquired by National Bank of Greece S.A.) by €50 million.

BlackRock

In August 2011, the Bank of Greece mandated BlackRock, a U.S.-based investment, advisory and risk management company, to conduct an independent diagnostic assessment of the domestic loan portfolio of the largest Greek banks, including the Bank. Using balances as at 30 June 2011 and assumptions and estimates based on information available during the fourth quarter of 2011, the BlackRock Diagnostic Assessment assessed the losses that would occur either in a three-year period or during the loan portfolio's life under two scenarios, one baseline and one adverse.

BlackRock was instructed by Bank of Greece to conduct a second independent diagnostic exercise on the loan portfolios of Greek banks, including updated stress tests. The BlackRock Updated Exercise was completed on 6 December 2013 and was conducted on balances as at 30 June 2013

of the loan portfolios of each bank's Greek operations as well as material foreign subsidiaries. The exercise was implemented in three major steps:

- (a) Troubled assets review of domestic operations, which included an assessment of the Bank's structure and policies relating to non-performing loans portfolio ranging from collateral and business valuations, remedial management (including collections and contracts modifications solutions) to legal workout strategies and staffing of all the relevant units. The scope of review entailed specific loan classes (e.g., residential, SBB, SME);
- (b) Asset quality review of the whole (total retail and corporate) domestic loan portfolio, which assessed the Bank's lending practices, policies, monitoring and overall credit quality of the Bank's loan portfolio. This in turn set out the basis for a credit loss projection over the loan-lifetime horizon using specific macroeconomics assumptions under a base and an adverse scenario. The capital need assessment compared the credit loss under each scenario by examining projected results with projected pre-provision income on an annual basis and the future provisions to be formed by the Bank until the end of 2016; and
- (c) Foreign book review of the two most material international operations of the Bank (Romanian and Bulgarian operations). This in practice entailed a full scope, although less detailed, review of total loans portfolios as well as lending policies, credit quality review and overall staffing and procedures.

BlackRock delivered the results of the BlackRock Updated Exercise to the Bank of Greece in mid-December 2013. On 6 March 2014, the Bank of Greece published the results of the BlackRock Updated Exercise and announced that the capital needs of all Greek banks amount to €6.4 billion under the baseline scenario and €9.4 billion under the adverse scenario and the Group's capital needs amount to €2,945 million under the baseline scenario and €4,980 million under the adverse scenario. The Bank of Greece requested that the Bank submit its capital enhancement plan based on the baseline scenario by 15 April 2014 and its contingency plan, in the event that the adverse scenario were to materialise, for creating the relevant capital buffers, by 15 May 2014. The Bank submitted its capital enhancement plan based on the baseline scenario in March 2014.

The capital needs of the Group had been reassessed by the Bank of Greece based on the credit loss projections from the BlackRock Updated Exercise results and the estimated future ability of internal capital generation for the period from June 2013 to December 2016, based on a conservative adjustment of the Bank's restructuring plan submitted in November 2013. Among the credit loss projections examined in the BlackRock Updated Exercise were those of (i) loans carrying foreign risk credit loss projections and (ii) existing loans carrying Greek risk. In the baseline scenario, Eurobank's credit loss projections were estimated to be €6.1 billion for the period from June 2013 to December 2016 and €9.9 billion on a loan lifetime "when realised" basis. In the adverse scenario, the Bank's credit loss projections were estimated to be €7.0 billion for the period from June 2013 to December 2016 and €12.4 billion, on a loan lifetime "when realised" basis. In the baseline scenario, Eurobank's credit loss projections for Greek risk were estimated to be €9.5 billion (including €3.4 billion of additional expected losses due to the use of increased risk parameters) and for foreign risk were estimated to be €1.6 billion, for the period June 2013 to December 2016. Under both the baseline and adverse scenarios, Eurobank's credit loss projections for Greek risk in residential mortgages, consumer, small business and professionals and corporate loan portfolios were lower than the average for the Greek banks in all such segments except small business and professionals. Compared to the other Systemic Banks, Eurobank had the second best credit loss projection ratio for foreign risk.

At the request of the Bank of Greece, on 24 March 2014, the Bank submitted its capital enhancement plan under the baseline scenario, whereby it (i) revised its capital actions to provide for an additional positive impact on regulatory capital of €81 million and proposed to adjust the restructuring plan accordingly and (ii) stated the Bank's intention to cover its remaining capital needs of €2,864 million

through a share capital increase. Pursuant to its letters dated 8 April 2014, the Bank of Greece (i) informed the Bank that it should increase its Core Tier I capital by €2,864 million, (ii) assessed that the Bank will be viable if it covers its Core Tier I capital requirements determined by the Bank of Greece and (iii) recommended to the Bank to submit a capital support request to the HFSF, in accordance with article 6, par. 1(c) of Law 3864/2010, as amended pursuant to Law 4254/2014, accompanied by its revised restructuring plan as submitted to the Bank of Greece.

The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme

The aggravated financial condition of Greece since the end of 2009 has limited, to a significant extent, Eurobank's and other Greek banks' access to the international capital markets. In early May 2010, the Greek Government agreed to the first economic adjustment programme jointly supported by the IMF, the EU and the ECB (the "First Economic Adjustment Programme"), which would provide significant financial support of €110 billion in the form of a cooperative package of IMF and EU funding. The First Economic Adjustment Programme was established pursuant to two memoranda, each dated 3 May 2010, which set out a series of fiscal measures and structural reforms, including the creation of the HFSF.

On 21 February 2012, following consultations at an international level, the IMF, the EU and the ECB agreed a new support programme for Greece (the "Second Economic Adjustment Programme"). The Second Economic Adjustment Programme's main objective was to ensure the sustainability of Greek Government debt and to restore competitiveness to the Greek economy. Pursuant to the Second Economic Adjustment Programme, Greece was to set fiscal consolidation targets so as to return to a primary surplus by 2013, to fully carry out the privatisation plan and to proceed to implement structural reforms in the labour, goods and services markets. In addition, the principles for private sector involvement (the "PSI") in the restructuring of the Hellenic Republic's sovereign debt were agreed, as well as the 53.5 per cent. reduction in the nominal value of Greek Government bonds. As a result of the PSI, which began on 24 February 2012 and was completed on 25 April 2012, the total amount of sovereign debt restructured was approximately €199 billion, or 96.9 per cent. of the total eligible bonds (approximately €205.5 billion).

Apart from the PSI principles, in order to ensure the sustainability of Greek Government debt, it was also decided on 21 February 2012 that: (i) the interest rate margin on the loan that Greece had been granted by the Eurozone countries would be retroactively decreased to 150 basis points; (ii) the ECB's income from acquiring and holding Greek bonds would be allocated to central banks and through them to the Member States, which would in turn direct such amounts to Greece's debt relief; and (iii) central banks holding Greek bonds in their investment portfolio would cede the income arising from these bonds to Greece until 2020.

According to a March 2012 report by the European Commission on the Second Economic Adjustment Programme for Greece, the Eurozone's contribution to cover the financing needs of Greece (including, *inter alia*, the PSI and the recapitalisation of banks) for the 2012–2014 period was estimated to be €144.7 billion, whilst the IMF's contribution for this period was estimated to be €19.8 billion. In particular, the IMF announced that the first aid package to Greece, under a Stand-By Arrangement, would be cancelled, while approving a four-year loan for an amount of €28.0 billion (the last tranche of which is expected to be disbursed on 29 February 2016) through the IMF's extended fund facility ("EFF") arrangement. The EFF arrangement provides for a longer repayment period than the Stand-By Arrangement. It was also determined that the tranches of the new loan would be equally allocated, and the immediate disbursement of an amount of approximately €1.65 billion was approved. At the same time, in March 2012, the EFSF received approval to release to Greece an amount of €39.4 billion. According to the reports by the European Commission and the IMF at that time, it was estimated that the recession in the Greek economy would persist in 2012 (estimated GDP decrease of approximately 4.7 per cent.), the growth rate would be zero in 2013, and growth would begin again in 2014. From a fiscal point of view, the target was to achieve a primary surplus of 1.8 per cent. of GDP for 2013 and 4.5 per cent. of GDP for 2014, whilst the general government

gross debt would, in line with the baseline scenario, by 2020 be at 116.5 per cent. of GDP. Based on the Second Economic Adjustment Programme, it was estimated that additional measures would be necessary, apart from those which had already been approved in the Medium-Term Fiscal Strategy 2012-15 and in the 2012 budget. In particular, the bulk of the adjustment would be achieved by spending cuts, while the main reforms, including those determined in the medium-term fiscal strategy and in the 2012 budget, included, *inter alia*, streamlining and better targeting social expenses, restructuring government, structural tax reform and reforms in tax administration and collection. In addition, fiscal institutional reforms, policies for the financial sector, a privatisation plan and structural reforms were also determined. In this context, a primary goal of the Second Economic Adjustment Programme was the solidification and recapitalisation of the Greek banking system as well as the resolution of non-viable banks.

However, by mid-2012, the political uncertainty created in Greece after two elections, the delays in implementing the Second Economic Adjustment Programme, as well as a stronger-than-expected recession in the Greek economy, led to a review of the terms of such programme, as the sustainability of Greek Government debt was put into question. On 27 November 2012, following consultations on national and international levels, basic points and actions were determined, with the aim of achieving the sustainability of Greek Government debt at 175 per cent. of GDP in 2016, 124 per cent. in 2020 and below 110 per cent. in 2022. At the same time, an agreement was reached to extend the programme and delay the targeted primary surplus of 4.5 per cent. of GDP from 2014 to 2016. Among other things, it was agreed that the interest rate on bilateral state loans would be reduced, that the time frame to pay back the tranches of bilateral state loans and loans by EFSF would be extended, that payment of interest on EFSF loans would be deferred, that Member States would return to Greece any profits their central banks made on the Greek bonds they held in their investment portfolios and that additional debt relief measures in order to improve the sustainability of Greek debt to GDP ratio would be considered once Greece achieves the target of a primary surplus. The implementation of these measures was made conditional on the strict implementation of the Second Economic Adjustment Programme by Greece. On 3 December 2012, the PDMA announced the terms for the Buy-Back Programme under which the Greek Government organised an auction for buying back Greek Government bonds. On 11 December 2012, the Buy-Back Programme was completed and total offers to exchange amounted to a nominal value of approximately €31.9 billion, while the weighted average price was approximately 33.8 per cent. of the nominal value. For the buy-back of the bonds offered, six-month EFSF notes were issued for a nominal value of €11.29 billion (including accrued interest).

As a result of the above actions, the implementation of structural reforms and the significant fiscal consolidation that occurred in Greece, the second and third reviews of the Second Economic Adjustment Programme were concluded successfully and led to the disbursement of the respective instalments. According to the Eurogroup's statement on Greece issued on 1 April 2014 following the summit held in Athens, the conclusion of the fourth review of the Second Adjustment Programme, as well as Law 4254/2014, which includes, among other things, the relevant structural reforms agreed with the Troika, permitted the disbursement of the EFSF instalment of €8.3 billion in three tranches. The first tranche of €6.3 billion has been disbursed already after being approved by the Eurogroup Working Group and the EFSF's Board of Directors, following the full implementation of the required actions and finalisation of Member States' relevant national procedures. The disbursements of the second and third tranches, amounting to €1 billion each expected in June and July 2014, respectively, are linked to the implementation of milestones agreed between the Greek Government and the Troika. The respective IMF instalment of approximately €3.5 billion will be further delayed because the IMF requires a solution to the financing gap for 2014–2016 that had already been identified in previous reviews of the Second Economic Adjustment Programme. However, according to the Eurogroup's 1 April 2014 statement, Greece is fully financed for the next 12 months. The IMF's decision on the continuation of the 2014 funding is already scheduled for 30 May 2014. The Bank expects that IMF financing for 2014 will continue. There is not, however, an explicit plan for resolving the financing gap for 2015–2016 and discussions are expected to conclude together with discussions regarding Greece's 2015 budget.

Financing of the Greek Economy by the Economic Adjustment Programmes

From May 2010, when the First Economic Adjustment Programme was concluded, until the end of October 2013, the Eurozone and the IMF disbursed approximately €214.8 billion to Greece (bilateral state loans from Eurozone countries and EFSF: €186.5 billion; IMF: €28.5 billion) while a total of €4.9 billion from 2013 remained undisbursed because of delays in the conclusion of the fourth review of the Second Economic Adjustment Programme.

The implementation of, and legislation relating to, a series of structural reforms with special focus on the increase of competition in the internal product markets led to the successful completion of the fourth review of the Second Economic Adjustment Programme. As a result, approximately €8.3 billion will be disbursed until July 2014, while the IMF funding for 2014 is expected to continue.

By the end of 2014, additional funding of approximately €13.4 billion (€2.9 billion by the ESM and €10.5 billion by the IMF) will be available, conditioned on the financing gap solution and the continuation of the implementation of the Second Economic Adjustment Programme. Under the Second Economic Adjustment Programme, the ESM funding ends in mid-2014. The IMF funding continues until February 2016 with a total amount of €9.0 billion conditioned on a credible solution for the 2015–2016 financing gap of the Greek budget identified in the Second Economic Adjustment Programme. Similar to past practice, funds will be disbursed on a quarterly basis subject to successful evaluation by the lenders' representatives.

Economic Forecasts by the European Commission and the July 2013 Review of the European Commission and the IMF on the Implementation of the Second Economic Adjustment Programme

According to the economic forecast of the European Commission published in February 2014, the recession rate in Greece in 2013 is expected to decrease in real terms to 3.9 per cent. of GDP, compared to a decrease of approximately 7.0 per cent., 7.1 per cent., 4.9 per cent., 3.1 per cent. and 0.2 per cent. in 2012, 2011, 2010, 2009 and 2008 respectively. The cumulative real GDP contraction between the end of 2007 (the last year with a recorded positive GDP growth) and the end of 2013 was approximately 26.2 per cent.. The 2013 GDP estimate is in agreement with the recent GDP data published by the Hellenic Statistical Authority and higher than the respective figure in the most recent review of the Second Economic Adjustment Programme (4.0 per cent. of GDP for 2013). According to the most recent review (April 2014) of the Second Economic Adjustment Programme as well as the 2014 Budget, GDP contraction for 2013 was linked to all basic parameters of domestic demand, given that the cuts in wages, the rise in unemployment and the restriction of social benefits have all affected disposable income. The European Commission estimates that in the medium term, investments and exports will be the driving force of economic activity. GDP is expected to grow for the first time since 2007, at 0.6 per cent. and 2.9 per cent. in 2014 and 2015, respectively. These estimates coincide with those of the most recent review (April 2014) of the Second Economic Adjustment Programme. On a quarterly basis there are also indications of recovery. According to the Hellenic Statistical Authority's flash data, real non-seasonally adjusted GDP decreased by 1.1 per cent. year-on-year in the first quarter of 2014 compared to a contraction of 2.3 per cent. year-on-year, 3.2 per cent. year-on-year, 4.0 per cent. year-on-year and 6.0 per cent. year-on-year in the fourth quarter, third quarter, second quarter and first quarter of 2013 respectively. The flash GDP estimate points towards the narrowing of the recession and brings closer the achievement of the target of a 0.6 per cent. year-on-year GDP increase for 2014. Moreover, according to the European Commission's economic forecast, the annual unemployment rate is projected to peak at 27.3 per cent. in 2013 and then to decline to 26.0 per cent. and 24.0 per cent. in 2014 and 2015, respectively.

Corrective Actions in the Event of Deviations From the Second Economic Adjustment Programme

Fiscal adjustment has been extended in time to reduce the impact of the on-going recession in Greece. According to the IMF's July 2013 review of the Second Economic Adjustment Programme,

the revised target provides for a primary balance of 0.0 per cent. of GDP in 2013, and steady improvement by 1.5 per cent. of GDP annually up to 2016. According to the European Commission's recent review (April 2014) of the Second Economic Adjustment Programme, Greece is expected to record a positive primary surplus of approximately 0.8 per cent. of GDP at the end of 2013 for the first time since 2002. The primary deficit was at 10.5 per cent. of GDP in 2009. The primary balance figures are based on the respective definition of the Second Adjustment Programme (i.e., without accounting for support regarding the financial institutions and the revenues from the Eurosystem's Securities Market Programme (SMP) and GGBs held by central banks of the Eurozone Member States in their investment portfolio (ANFA GGB holdings)).

The Greek Government in the Medium Term Fiscal Strategy plan for 2015-2018 recently approved by Parliament has developed a strategy to achieve a targeted primary surplus of 2.7 per cent. of GDP by 2015, 3.6 per cent. of GDP in 2016, 4.6 per cent. of GDP in 2017 and 5.3 per cent. of GDP in 2018. These targets are lower than the respective Second Economic Adjustment Programme's targets for 2015 and 2016 but significantly higher for 2017 and 2018. The Greek Government expects that income will increase when the economy enters the recovery phase, whilst benefits are also expected from the stronger and more efficient administration of revenue collection procedures. Furthermore, Greek public sector efficiency is expected to improve through a series of additional reforms to government expenditure. To the extent that the fiscal deficit picture will not improve according to the targets, the Greek Government could pursue actions to resolve it, including improving tax collection and broadening the tax base by further reducing exemptions and tax deductions, extending measures that are due to expire and applying targeted spending cuts.

The Hellenic Financial Stability Fund (HFSF)

Summary

The First Economic Adjustment Programme required the establishment of the HFSF, funded by the Greek Government out of the resources made available by the IMF and the EU to ensure adequate capitalisation of the Greek banking system. The HFSF was established by Law 3864/2010 as a private law entity, with the objective of helping to maintain the stability of the Greek banking system by providing equity capital in the event of a significant decline in capital buffers. Its purpose is fulfilled in accordance with a strategy that is agreed among the Ministry of Finance, the Bank of Greece and the HFSF. Under Law 3864/2010, capital support would be provided to Greek banks meeting specific eligibility criteria to cover the capital requirements determined by the Bank of Greece for each such bank. The terms, conditions and processes for the provision of capital support by the HFSF under Law 3864/2010 was subsequently amended in 2011 and 2012 to provide recapitalisation through ordinary shares, contingent convertible securities or other convertible instruments issuable by the relevant bank and subscribed by the HFSF in the way described below.

The purpose of the HFSF does not include the short-term liquidity enhancement provided under the provisions of Law 3723/2008 or in the context of the Eurosystem's and the Bank of Greece's operations.

The HFSF has an initial duration of seven years, until 30 June 2017, with the possibility of (i) a one-year extension in case there are still outstanding warrants at 30 June 2017; and (ii) a two-year extension following a decision by the Minister of Finance, if it is necessary for the achievement of the HFSF's objectives.

With the amendment of Law 3864/2010 by Law 4051/2012 and most recently by Law 4254/2014, the administrative structure of the HFSF was amended to the effect that there are two HFSF administrative bodies with decision-making powers, namely the General Council and the Executive Committee. Appointees of the Bank of Greece and the Ministry of Finance sit on the General Council, whilst an appointee of the Bank of Greece sits on the Executive Committee. One appointee of the ECB and one appointee of the European Commission each has the right to participate in the meetings of the General Council and the Executive Committee as an observer. The appointment and

the renewal of the term of the other members sitting on the General Council and the Executive Committee requires the consent of the Euro Working Group.

In May 2012, Cabinet Act No. 15 was issued, setting the terms of the presubscription agreements between the HFSF, the Four Systemic Banks and the EFSF. They were signed on 28 May 2012. Following the execution of the presubscription agreements, the HFSF contributed EFSF notes in a total nominal value of €18 billion to the Four Systemic Banks as an advance payment in respect of its participation in the subsequent share capital increases of the Four Systemic Banks, thus restoring their solvency ratios so that they would meet the 8 per cent. capital adequacy ratio requirement.

In November 2012, Cabinet Act No. 38 was issued to define the terms of the Recapitalisation Plan and the share capital increases.

In the context of the share capital increases, Alpha Bank S.A., Piraeus Bank S.A. and National Bank of Greece S.A. raised the minimum of 10 per cent. of the amounts of their respective capital increases from private sector investors, with the HFSF providing the balance. As a result, as set forth in Law 3864/2010, HFSF's voting rights in respect of those banks' remaining capital contribution are restricted to resolutions amending each bank's articles of association, including share capital increases or decreases, granting a relevant authorisation to the Board of Directors, mergers, divisions, conversions, revivals, extensions of the term or dissolution of the company and transfers of assets, including the sale of subsidiaries or any other matter requiring an increased majority, in accordance with Law 2190/1920. Eurobank received capital support under Law 3864/2010 exclusively from the HFSF (without participation from private sector investors). As a result, the HFSF had unrestricted shareholder voting rights in respect of its shareholding in the Bank. Following the successful participation of private investors in the Share Capital Increase of the Bank in May 2014, which exceeded the minimum requirement of 50 per cent., in accordance with the provisions of article 7A, paragraph 2(b) of Law 3864/2010, as amended by Law 4254/2014, the HFSF's voting rights in the Bank will be exercised at the General Meeting of the Bank's ordinary shareholders only with respect to resolutions relating to the amendment of the Bank's Articles of Association, including resolutions relating to the increase or decrease of the Bank's share capital, or the granting of a relevant authorisation to the Bank's Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extension of the term or dissolution of the Bank, resolutions relating to transfers of assets, including the sale of subsidiaries, or resolutions with respect to any other matter requiring approval by an increased majority in accordance with Law 2190/1920. Furthermore, under article 10, paragraph 2(b)(iii) of Law 3864/2010, as amended pursuant to Law 4254/2014, the HFSF representative on the Bank's Board of Directors will be entitled to veto any decision of the Bank's Board of Directors relating to any of the above matters, to the extent that such decision is likely to significantly affect the participation of the HFSF in the Bank's share capital.

For the banks that met the 10 per cent. threshold, the HFSF issued warrants for the ordinary shares for which it subscribed, which were provided against no consideration to the private investors participating in the share capital increases.

In regard to capital support through subscription of contingent convertible securities, these securities were not issued by any of the Greek banks eligible under the Recapitalisation Plan.

Funding

Under Law 3864/2010, the HFSF's capital is €50 billion, consisting of funds that will be raised within the context of the EU's and the IMF's support mechanism for Greece by virtue of Law 3845/2010. It shall be gradually paid in by the Hellenic Republic and shall be evidenced by instruments which shall not be transferable until the expiry of the term of the HFSF. The HFSF's capital may be increased by a decision of the Minister of Finance. After the expiry of the HFSF's term and the completion of the liquidation process, the HFSF's capital and assets will be transferred to the Hellenic Republic by operation of law. In the event of the liquidation of a credit institution, the HFSF, in its capacity as a

shareholder of such credit institution will be satisfied preferentially towards any other shareholders together with the Hellenic Republic as holder of Preference Shares.

Powers of the HFSF

In addition to its conventional rights as holder of ordinary shares under Law 2190/1920, the HFSF, pursuant to article 10 of Law 3864/2010, has certain powers over credit institutions receiving capital from the HFSF. These powers are without prejudice to the supervisory powers of the Bank of Greece, and include, among others, the power to:

1. Appoint one member to the Bank's Board of Directors as a representative of the HFSF. Such representative has the following rights:
 - to veto any decision of a credit institution at the board level (e.g., business strategy, dividend distributions, salary caps relating to the chairman, chief executive officers and the other board members, general managers and their deputies, liquidity and asset liability management as well as any other matter which may set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency and/or, in general, on the prudent and orderly operation of the credit institution, including its business strategy). Following the amendments made to Law 3864/2010 pursuant to Law 4254/2014, this veto right also applies to any board decision on matters in relation to which the HFSF's voting rights at a general meeting of a credit institution's ordinary shareholders are exercisable, to the extent that such decision is likely to significantly affect the participation of the HFSF in the share capital of the relevant credit institution;
 - to request an adjournment of a board meeting for three business days in order to receive instructions from the Executive Committee of the HFSF, following consultation with the Bank of Greece;
 - to call a board meeting;
 - to approve the appointment of the chief financial officer;
 - to have free access to all books and records of the bank; and
 - to request convocation of a general meeting within one-third of the deadlines provided by Law 2190/1920.

In exercising these rights, the HFSF representative should take into account the business autonomy of the Bank.

2. Receive in priority to all other shareholders and *pari passu* with the Hellenic Republic, pursuant to Law 3723/2008, the proceeds of the Bank's liquidation, in the event the Bank is liquidated, for as long as the HFSF is a shareholder of the Bank.

Moreover, in discharging its duties under Law 3864/2010, the HFSF has the right (i) to receive from the Bank through the Bank of Greece all necessary information and data that benefit from the secrecy provisions of Law 3601/2007 and shall not be disclosed to any third parties without the prior consent of the Bank of Greece, and (ii) to request that the Bank of Greece conducts ad hoc inspections with the participation of a representative of the HFSF or third party experts, accountants or auditors selected by the HFSF.

The HFSF currently has additional rights under the Relationship Framework Agreement, as described above under "The Banking Sector and Economic Crisis in Greece – The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme – The Hellenic Financial Stability Fund (HFSF) –

Relationship Framework Agreement”. For further information on the powers of the HFSF with respect to Eurobank, see also “Major Shareholders and Related Party Transactions”.

Approval of Credit Institutions’ Restructuring Plans by the European Commission

Any restructuring plan prepared by a credit institution which has received capital support from the HFSF under Law 3864/2010 is required to comply with EU rules on state aid and be approved by a decision of the European Commission ensuring that the credit institutions will restore viability at the end of the restructuring period, burden-sharing of shareholders will be achieved and distortion of competition will be limited. In line with EU state aid rules, in January and February 2013, Monitoring Trustees were appointed in all banks under restructuring, including Eurobank. The Monitoring Trustees are responsible for overseeing the implementation of restructuring plans and the Bank’s compliance with applicable state aid rules. The Bank appointed Grant Thornton as a Monitoring Trustee on 22 February 2013.

Lock-up Undertaking

The Presubscription Agreement provides for a lock-up undertaking (the “Lock-up Undertaking”) by the Bank, with effect from the date of execution of the Presubscription Agreement until 18 months after the date of delivery of the ordinary shares the Bank has issued to the HFSF. In particular, the Bank has undertaken, subject to limited exemptions, (i) not to proceed with any transactions whatsoever with respect to its ordinary shares (including the new ordinary registered shares resulting from the Share Capital Increase), such as issues, sales, transfers, pledges, liens, charges, grants of security or options over such shares, or in any other way dispose of its legal title or beneficial interest in its ordinary shares; (ii) not to enter into any swap or similar agreement that transfers the economic consequences of the ownership of its ordinary shares; (iii) not to proceed to any capital increase or issue of securities, convertible or exchangeable or exercisable into its ordinary shares; and (iv) not to publicly disclose any intention to do any of the aforementioned. Transactions carried out in the ordinary course of business in order to facilitate customer transactions, or expressly provided in the business plan that the Bank has procured in accordance with article 6, par. 2 of Law 3864/2010 are excluded from the Lock-Up Undertaking. In addition, the Lock-up Undertaking does not apply to the issue of shares upon the conversion of convertible instruments outstanding as at the date of the Presubscription Agreement and the HFSF can grant waivers in writing or decide in its sole discretion to release any securities subject to the Lock-up Undertaking. The HFSF has consented to the Share Capital Increase and voted its ordinary shares at the extraordinary General Meeting of the Bank’s ordinary shareholders held on 12 April 2014 in favour of the Share Capital Increase.

Relationship Framework Agreement

Pursuant to the Relationship Framework Agreement executed between HFSF and the Bank on 12 July 2013, the HFSF has certain rights relating to the Bank’s corporate governance, such as:

1. In its capacity as holder of the majority of the voting rights in the Bank, to fully exercise such voting rights in relation to the election of the Bank’s Board of Directors and to designate the Chairman of the Bank’s Board of Directors and the Bank’s Chief Executive Officer and, in agreement with the Bank’s Chief Executive Officer, his deputies and any other executive director.
2. The right to appoint up to two representatives as non-executive directors, who can be employees of HFSF or third parties and who, acting jointly or severally, have the following rights which are in addition to the rights they have under Law 3864/2010:
 - the right to participate in the Bank’s Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee;

- the right to request that the above committees of the Bank in which they participate are convened;
- the right to include items in the agenda of the General Meeting of the Bank's ordinary shareholders, of the Bank's Board of Directors and of the above committees of the Bank in which they participate;
- the right to approve the appointment and dismissal of the Chief Financial Officer, the Chief Risk Officer, the Chief Operating Officer and the Chief Internal Auditor of the Bank;
- the right to approve the terms and criteria used for the appointment of the Chairman of the Audit Committee and the Chairman of the Risk Committee of the Bank.

The HFSF appoints its representatives or their replacements in writing to the Chairman of the Board. The Board shall immediately and in any event no later than ten days from the notification from the HFSF of its representatives or replacements, appoint such representatives as non-executive directors and/or, if required, convene the General Meeting as soon as allowed by law in order to proceed to such appointment.

3. The right to evaluate the performance of the Bank's Board of Directors, the Executive Board, the Management Committee, the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee.
4. The right to appoint a non-voting observer at the meetings of the Bank's Executive Board, the Management Committee, the Central Credit Committee and the Assets and Liabilities Committee.
5. The right to receive at least ten days prior to the session of any ordinary or extraordinary General Meeting, the agenda of such meeting, the Bank's annual financial statements (if relevant) and the respective reports of the Bank's Board and auditors or any supporting document and information necessary for the HFSF to be prepared for the exercise of its voting rights in such General Meeting. Moreover, the HFSF is entitled to request clarifications or further information which the Bank has the obligation to provide in writing within three days from receipt of the HFSF's request and if less days are left for the General Meeting, no later than one business day before the date of such meeting.

Furthermore, in accordance with the Relationship Framework Agreement, the Bank has the obligation to obtain the prior written consent of the HFSF for all material matters set forth in such agreement, including, *inter alia*, all material corporate actions (e.g., capital increases, mergers, etc.), material investments or transfers of assets, the restructuring plan, material human resources matters, the composition of the Executive Board and Management Committee, as well as the settlement or compromise or waiver of any rights or undertaking of any liability with regard to material litigation or proceedings of the Group.

The Monitoring Trustee monitors the Bank's compliance with the rules of corporate governance and operational practices, as well as the implementation of the Bank's restructuring plan, and reports to the European Commission.

For more information on the powers of the HFSF see "The Banking Sector and the Economic Crisis in Greece—The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme—The Hellenic Financial Stability Fund (HFSF)—Powers of the HFSF".

Under the Relationship Framework Agreement, the Bank's decision making bodies will continue to independently determine the Bank's day-to-day business, commercial strategy and policy in accordance with the Bank's restructuring plan.

Currently, HFSF and the Bank are in the process of amending the Relationship Framework Agreement.

Pursuant to article 8 of Law 3864/2010, as amended pursuant to Law 4254/2014, the HFSF must dispose of, in whole or in part, its shares in a credit institution, such as Eurobank, which has received financial support from it pursuant to Law 3864/2010 at the latest within five years from its participation in the share capital increase of such credit institution. For more information see "The Banking Sector and the Economic Crisis in Greece – The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme – Recapitalisation Framework Reform – Disposal of the HFSF's Participation in Credit Institutions".

On 4 April 2014, the HFSF announced, among other things, that it has undertaken not to sell any of its ordinary shares for a period of six months after completion of the Share Capital Increase, in the event that the private sector participation in the Share Capital Increase is equal to or exceeds 50 per cent..

Recapitalisation Framework Reform

Law 3864/2010 was amended pursuant to Law 4254/2014 and significantly reformed the recapitalisation framework of credit institutions operating in Greece pursuant to a license granted by the Bank of Greece, including their branches operating outside of Greece, and of the Greek subsidiaries of international credit institutions operating in Greece.

The most significant amendments made pursuant to Law 4254/2014 are set out below:

Objective of the HFSF

The objective of the HFSF was restated as contributing to the maintenance of the stability of the Greek banking system for the sake of public interest, with the HFSF acting in line with the commitments of the Hellenic Republic under Law 4046/2012 relating to the Second Economic Adjustment Programme, as such commitments are updated from time to time.

In pursuing its objective, the HFSF:

- Provides capital support to credit institutions and to transitional credit institutions established under Article 63E of Law 3601/2007, under terms and conditions which take into account the rules of prudent use and management of the HFSF's assets;
- Monitors and assesses how credit institutions that have received capital support from the HFSF comply with their restructuring plans, safeguarding at the same time their business autonomy. The HFSF ensures that such credit institutions operate on market terms such that the participation of private investors therein in a transparent manner is promoted and the EU state aid rules are complied with;
- Exercises its rights as shareholder deriving from its participation in the credit institutions that have received capital support from the HFSF, as such rights are set forth in Law 3864/2010 and in relationship framework agreements entered into with such credit institutions, in compliance with rules serving the prudent management of the HFSF's assets and the EU rules with respect to state aid and competition;

- Disposes of, in whole or in part, the financial instruments issued by the credit institutions in which it participates, according to the provisions of article 8 of Law 3864/2010; and
- Exercises its rights in the transitional credit institutions established pursuant to article 63E of Law 3601/2007, in accordance with the provisions of Law 3864/2010 and Law 3601/2007.

Governance of the HFSF

- The General Council of the HFSF consists of nine non-executive members, of whom seven, including its President, are selected among persons having international experience in banking matters.
- The list of conflicts that would prevent a person from becoming a member of the General Council and the Executive Committee of the HFSF was expanded to also include the holding, directly or indirectly, of shares or financial interests having a value of €100,000 or more in a credit institution supervised by the Bank of Greece.
- The powers and authorities of the General Council and the Executive Committee of the HFSF were restated and clarified.

Process and Conditions For the Provision of Capital Support by the HFSF – Voluntary and Mandatory (Bail-in) Measures

1. To receive capital support from the HFSF in accordance with Law 3864/2010, a credit institution should submit a relevant application to the HFSF up to an amount which is determined by the Bank of Greece, after the observance of a detailed process described in article 6 of Law 3864/2010. Such process includes, *inter alia*:

- the carrying out of a viability assessment of the credit institution concerned by the Bank of Greece for a period between three and five years on the basis of a restructuring plan (or an amended restructuring plan in the case of a credit institution that has already received capital support from the HFSF) submitted by such credit institution;
- the approval of such restructuring plan by the HFSF and the European Commission; and
- the publication of a Cabinet Act issued on the recommendation of the Bank of Greece ordering the implementation of the mandatory (bail-in) measures referred to below (article 6a of Law 3864/2010) and compliance with the EU state aid rules and the practices observed by the European Commission.

2. The restructuring plan or the amended restructuring plan, as the case may be, should describe, based on conservative assumptions, the ways in which the credit institution will remain viable for the following three to five years. The restructuring plan or the amended restructuring plan should enumerate the types of measures to be undertaken by the credit institution concerned to raise capital or mitigate capital needs, the anticipated timing of each measure and the impact of each measure on resolving the capital shortfall, with the objective of minimising the need for state aid support provided by the HFSF. Such measures may include, among other things, the following:

- earnings retention;
- share capital increase of the credit institution;
- capital-generating sale of assets, portfolios or businesses;
- risk-transfer/securitisation of assets or portfolios;

- liability management, including voluntary conversion of hybrid capital instruments and subordinated debt securities into Tier I capital instruments. Such voluntary liability management exercises should in principle be 100 per cent. capital generating if the capital shortfall cannot be overcome in full; and
- recording of instruments or obligations that may be subject to the mandatory (bail-in) measures of article 6a of Law 3864/2010, and the procedures that need to be adopted, as the case may be, in order for the credit institution to abide by the requirements of such article 6a.

Once the restructuring plan or the amended restructuring plan, as the case may be, is approved by the HFSF, it is forwarded to the Ministry of Finance for submission to the European Commission for approval. Following the approval of the restructuring plan by the European Commission, and only after the Cabinet Act provided for in par. 1 of the amended article 6a of Law 3864/2010 has been issued, the HFSF provides its capital support in accordance with article 7 of Law 3864/2010, with the objective of minimising the need for state aid in compliance with the state aid rules of the European Union and the applicable practices of the European Commission.

The HFSF monitors and evaluates the due implementation of the restructuring plan as well as any amended restructuring plan, as the case may be, and is obliged to provide to the Ministry of Finance all necessary information for the purposes of ensuring that the European Commission is properly apprised of all developments. To fulfil this task, the HFSF and the relevant credit institution enter into a framework agreement.

3. In the event that (i) the voluntary measures set out in the credit institution's restructuring plan or amended restructuring plan, as the case may be, are insufficient to cover its capital shortfall as determined by the Bank of Greece and (ii) the revocation of the operating licence of such credit institution and/or the special resolution measures contemplated in article 63B *et seq.* of Law 3601/2007 may cause significant side effects to the economy with adverse effects upon the public, and in order to ensure that the use of public funds remains the minimum necessary, the Cabinet, following a recommendation by the Bank of Greece, would issue an Act for the mandatory application of the measures provided for below (bail-in measures), aimed at allocating the residual amount of the capital shortfall of the credit institution to the holders of its capital instruments and other subordinated obligations, as may be deemed necessary.

Such allocation is completed upon publication of such Cabinet Act in the Government Gazette and made in the following order:

- firstly, to ordinary shares;
- secondly, if needed, to preference shares and other Tier I capital instruments; and
- thirdly, if needed, to all other subordinated obligations.

Claims ranking *pari passu* would be treated equally, unless a deviation from this ranking and the principle of equal treatment may be justified when there are objective reasons to do so, as set out below.

4. The mandatory (bail-in) measures which may be ordered pursuant to the Cabinet Act mentioned above include:

- (i) the absorption of losses by the existing shareholders in order to ensure that the net asset value of the credit institution is equal to zero, where appropriate, pursuant to a decrease of the nominal value of its shares following a decision of the competent corporate body of the credit institution;

- (ii) the decrease of the nominal value of preference shares and other obligations qualified as Tier I capital and then, if needed, other subordinated obligations of the credit institution, in order to ensure that the net asset value of the credit institution is equal to zero; or
- (iii) if the net asset value of the credit institution is above zero, the conversion of preference shares and other Tier I obligations and then, if needed, other subordinated obligations of the credit institution into Tier I capital instruments, in order to restore the target level of the capital adequacy ratio of the credit institution prescribed by the Bank of Greece.

Where the mandatory conversion referred to in (ii) and (iii) does not satisfy the capital adequacy of the credit institution concerned as prescribed by the Bank of Greece and the HFSF is required to provide capital support, this conversion shall be made in the form of ordinary shares.

In addition, the above measures may also concern:

- any obligations undertaken through the provision of guarantees granted by such credit institution with regard to debt or equity instruments issued by legal entities included in the consolidated financial statements of the credit institution, provided that such guarantees are ranked as subordinated obligations of the credit institution; and
- any claims against the credit institution under loan agreements which are in force and entered into between the credit institution and the above legal entities, provided such obligations are ranked as subordinated obligations of the credit institution.

The instruments and obligations referred to above are mandatorily converted into capital instruments pursuant to a share capital increase of the relevant credit institution in accordance with the procedure under Law 3864/2010, failing which the Bank of Greece may withdraw the credit institution's operating licence and/or implement the resolution measures under articles 63B *et seq.* of Law 3601/2007 and Law 3458/2006.

5. The mandatory (bail-in) measures described above may not be ordered and implemented, whether in whole or in part with respect to specific instruments, provided a positive decision of the European Commission in accordance with articles 107 to 109 of the Treaty on the Functioning of the European Union has been obtained and the Cabinet has ascertained, following recommendation by the Bank of Greece, that (i) such measures may jeopardise financial stability and (ii) the implementation of such measures may have disproportional effects, as it would be the case if the proposed capital support by the HFSF is low compared to the risk-weighted assets of the credit institution concerned and/or a significant portion of the credit institution's capital shortfall has been raised by private investors.

The final assessment of the above risks rests with the European Commission on a case-by-case basis.

These mandatory (bail-in) measures are, for the purposes of recapitalisation under Law 3864/2010, reorganisation measures pursuant to the definition in Article 2 of the EU Directive 2001/24/EC, which was transposed by Law 3458/2006.

6. The implementation of the voluntary or mandatory (bail-in) measures described above cannot, in any case:

- trigger contractual clauses which become effective upon liquidation, insolvency or the occurrence of any other event which may be classified as a credit default or insolvency event; or

- be treated as a breach of contract by the credit institution concerned in order to substantiate the early termination of any contract by the credit institution's counterparty.

Contractual clauses which are contrary to the above shall have no legal effects.

7. The holders of capital instruments, hybrid instruments or other subordinated obligations of a credit institution, including the beneficiaries of subordinated guarantees granted by it, who are the subject of the recapitalisation measures set forth in article 6a of Law 3864/2010 described above, should not, after the implementation of such measures, be in a worse financial position than if the credit institution had been placed under special liquidation (no creditor worse-off principle). In the event that such principle is not observed, such holders and beneficiaries would be entitled to compensation from the Greek state, provided that they prove that their damages arising from the implementation of the mandatory measures are higher than if the credit institution concerned was put under special liquidation. In any case, their compensation cannot be higher than the difference between the value of their claims after the implementation of the mandatory measures and the value of their claims if the credit institution concerned had been placed under special liquidation, such value to be determined by an independent valuator appointed by the Minister of Finance.

8. A summary of the Cabinet Act mentioned above will be published in the Greek Government Gazette, the Official Journal of the European Union in Greek and two daily newspapers circulated throughout the territory of the Member State in which the credit institution has a branch or in which it directly provides cross-border banking and other financial services, in the official language of such Member State. Such summary will include the following information:

- the grounds and legal basis for issuing the Cabinet Act;
- the judicial remedies which are available against the Cabinet Act and the deadline for seeking them; and
- the competent courts before which the abovementioned judicial remedies may be sought.

The necessary details for the implementation of article 6a of Law 3864/2010 in relation to the adoption of the mandatory measures, including the process for the appointment of independent auditors, the content of the independent valuations and the proposal of the Bank of Greece, the methods for the calculation of capital instruments, hybrid instruments or other subordinated obligations that are discounted or converted, the possibility of change of the issuer of these securities, the method of implementing such conversions as well as details on any indemnification of the security holders, are set out in a relevant Cabinet Act provided for in paragraph 11 of article 6a of Law 3864/2010.

Capital Support

1. The HFSF provides capital support as determined by the Bank of Greece, but only up to the amount of the relevant credit institution's capital shortfall remaining outstanding after the implementation of the aforementioned voluntary measures and mandatory (bail-in) measures and following any potential participation of private investors, through its subscription for ordinary shares, contingent convertible securities or other convertible financial instruments issuable by the credit institution concerned.

2. The HFSF's subscription for such securities would be made by means of cash or bonds or other financial instruments issuable by the EFSF. The subscription price would be determined by the General Council of the HFSF on the basis of two valuation reports made by two independent financial advisers who are reputable and experienced in similar matters and particularly in valuations of credit institutions.

According to article 7 of Law 3864/2010, a credit institution is not permitted to offer new shares to private investors at a subscription price lower than the HFSF's subscription price in the context of the same issue of shares. However, the price at which private investors may subscribe for shares may be lower than (i) the price at which the HFSF has subscribed for shares in previous capital increases of the credit institution concerned, or (ii) the current stock market price of the shares of such credit institution.

The conditions for the issuance of contingent convertible securities or other convertible financial instruments by credit institutions and HFSF's subscription therefor, as well as the conditions for the conversion of such securities and instruments and any other necessary details would be set forth in a Cabinet Act, if so required.

3. The HFSF may, following a decision of the Bank of Greece and prior to the observance of the process set out in article 6a of Law 3864/2010 involving the implementation of mandatory (bail-in) measures pursuant to a Cabinet Act as outlined above, provide credit institutions that have requested capital support and been assessed as viable by the Bank of Greece with a commitment letter that the HFSF will participate in their share capital increase up to the amount determined by the Bank of Greece.

The provision of such a commitment letter by the HFSF, which would be given without having observed the process set forth in article 6a of Law 3864/2010 relating to the implementation of mandatory (bail-in) measures pursuant to the Cabinet Act, presupposes that (i) the Bank of Greece has approved the credit institution's request to receive capital support, and such request together with the credit institution's restructuring plan have been notified to the European Commission, and (ii) the Bank of Greece has ascertained that the provision of such confirmation is necessary, on the one hand to ensure that the relevant credit institution will continue to operate as a going concern and satisfy the capital adequacy requirements prescribed by the Bank of Greece, and on the other hand to safeguard the stability of the Greek banking system.

The HFSF would provide the requested capital support pursuant to a commitment letter only if the European Commission has approved such support and the Cabinet Act regarding the implementation of the mandatory (bail-in) measures has been published, as discussed above.

The above commitment of the HFSF would cease to be effective in the event that (i) the licence of the credit institution is revoked for any reason pursuant to article 8 of Law 3601/2007, (ii) the resolution measures provided for in article 63 *et seq.* of Law 3601/2007 have been implemented, or (iii) procedures for the revocation of the operating license of the credit institution or for the adoption of such resolution measures have started before the commencement of the procedure for its share capital increase.

4. In view of its providing capital support to a credit institution which has been assessed as viable by the Bank of Greece, the HFSF may, following a decision by the Bank of Greece, advance all or a portion of its capital support up to the amount determined by the Bank of Greece, if:

- the credit institution has applied to receive capital support and submitted a restructuring plan, as discussed above;
- the credit institution's request to receive capital support has been approved by the Bank of Greece, and notified to and approved by the European Commission;
- the Bank of Greece has determined that such advance is necessary to safeguard the stability of the banking system and to ensure the contribution of the relevant credit institution to the growth of the real economy; and
- the credit institution has entered into a pre-subscription agreement with the HFSF and the EFSF.

The process relating to the HFSF's advance is implemented pursuant to a decision of the Bank of Greece issued with the consent of the European Commission and the EFSF and published in the Government Gazette, while the terms of the pre-subscription agreements between the HFSF, the credit institution concerned and the EFSF regarding the HFSF's participation in a future share capital increase of such credit institution would be set forth in a Cabinet Act issuable following the opinion of the HFSF and is likewise published in the Government Gazette.

In the event that the operating licence of the credit institution is revoked prior to the completion of the provision of capital support and a transitional credit institution is established pursuant to article 63E of Law 3601/2007, then the EFSF instruments provided as an advance by the HFSF form part of the transitional credit institution's assets.

5. Should the HFSF provide a commitment letter or advance all or a portion of its capital support as described above, until the completion of the share capital increase, it may (a) appoint up to two representatives in the credit institution's Board of Directors who have all the powers defined under article 10 of Law 3864/2010 (see also "The Banking Sector and the Economic Crisis in Greece—The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme—The Hellenic Financial Stability Fund (HFSF)—Powers of the HFSF") and propose to the Board of Directors of such credit institution the necessary measures to ensure the protection of the HFSF's interests and supervise the implementation of such measures; and (b) request from such credit institution any information considered necessary in order for the HFSF to fulfil its objectives to conduct due diligence and generally to exercise its rights in accordance with article 11 of Law 3864/2010.

Upon a decision of the Minister of Finance issued based upon an opinion by the HFSF, additional corporate governance measures may be established during the period from the provision of the commitment letter or the advance of capital support by the HFSF until certification of the payment of the share capital.

Voting Rights of the HFSF

1. The HFSF is entitled to exercise the following voting rights, subject to the restrictions described further below:

- (a) with respect to its shares in credit institutions which had raised the minimum 10 per cent. of the amount of their respective capital increases from private investors in the context of their recapitalisation in 2013 pursuant to Law 3864/2010, as was in force prior to its amendment pursuant to Law 4254/2014; and
- (b) with respect to its shares in credit institutions which have not satisfied the above minimum condition of 10 per cent., provided that the participation of private investors in the first share capital increase of the credit institution concerned to be made after the enactment of Law 4254/2014 is at least equal to 50 per cent..

2. The HFSF is entitled to exercise the following voting rights without restrictions:

- (a) with respect to its shares in credit institutions which have received capital support from it and do not fall within 1(a) or 1(b) above; and
- (b) if it is determined, pursuant to a decision of the General Council of the HFSF, that the credit institution concerned which has received capital support from the HFSF has breached its material obligations under its restructuring plan, or if the exercise of HFSF's rights furthers the implementation of such restructuring plan or is described in the relevant framework agreement entered into between the HFSF and the credit institution concerned.

3. With respect to a credit institution falling within 1(a) or 1(b) above, the HFSF attends and votes at a general meeting of the shareholders of such credit institution only with respect to resolutions relating to the amendment of its articles of association, including resolutions relating to the increase or decrease of its share capital or the granting of a relevant authorisation to its Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extension of the term or dissolution of the company, resolutions relating to transfers of assets, including the sale of subsidiaries, or resolutions with respect to any other matter requiring increased majority in accordance with Law 2190/1920.

The shares held by the HFSF in such credit institutions are not taken into account to calculate the quorum and majority required with respect to resolutions of the general meetings of their shareholders on matters other than those set out in the above paragraph.

4. For so long as the HFSF exercises its voting rights with the restrictions described above:

- (i) the HFSF must, in addition to the standard notifications required under Law 3556/2007, also notify the credit institution concerned and the HCMC of any change in the number of shares and voting rights that the HFSF holds in such credit institution at the end of each calendar month during which the HFSF acquired or disposed of the shares, as well as the total number of voting rights it holds. The credit institution concerned must publish the relevant information immediately and, in any case, within two trading days from receipt of the HFSF's notification, according to the provisions of article 21 of Law 3556/2007;
- (ii) the aggregation rules set forth in paragraph 6 of article 9 and articles 10 and 11 of Law 3556/2007 do not apply to the HFSF; and
- (iii) persons who acquire or dispose of significant stakes or percentages of voting rights in credit institutions to which the HFSF has provided capital support must also notify changes in their voting rights in the event that such change affects the thresholds provided for in article 9 of Law 3556/2007 and the relevant enabling rules. Such notification is given by reference to the total number of voting rights of the credit institution, excluding those held by the HFSF, and notified in the manner set forth in (i). This obligation to notify changes does not apply to warrants.

Law 3556/2007 provides, in article 26, sanctions for breach of these disclosure obligations.

Disposal of the HFSF's Participation in Credit Institutions

1. The HFSF must dispose of, in whole or in part, its shares in a credit institution at the latest within five years from its participation in the share capital increase of such credit institution, pursuant to a decision of the General Council of the HFSF and in compliance with the EU state aid rules and the objectives of the HFSF (see “—Objective of the HFSF”). The disposal may take place, gradually or as a one-off disposal, at the HFSF's discretion, so long as all shares are disposed of within the time limits referred to above and in compliance with the EU state aid rules. The disposal of shares within the stipulated time limits may not be made, directly or indirectly, to state-owned entities, in accordance with Greek law. The five-year deadline may be extended pursuant to a decision of the Minister of Finance on the recommendation of the HFSF.

In order to reach such decision, the General Council of the HFSF should receive a report prepared by an internationally accredited financial adviser who has experience in similar matters. This report should be accompanied by a comprehensive time schedule for the disposal of shares. The prerequisites and the method of disposal of the shares, as well as the acts necessary for the completion of the process and the compliance with the time schedule must be sufficiently explained in the report.

2. The disposal of shares in credit institutions by the HFSF may be made by way of a sale to the public or to specific investor(s) or to a group of investors, through (i) an open tender process or call for expression of interest to selected investors, (ii) stock market orders, (iii) a public offer of shares for cash or in exchange for other securities, and (iv) book building.

The HFSF may also reduce its participation in credit institutions through a share capital increase by waiving or disposing of its pro rata pre-emption rights therein.

The price at which the HFSF would dispose of its shares in a credit institution and the minimum price at which new shares in a credit institution would be offered to private investors for subscription pursuant to a share capital increase will be set by the General Council of the HFSF, on the basis of two valuation reports made by two independent financial advisers who are reputable and experienced in similar matters and particularly in valuations of credit institutions. Such prices may be lower than the acquisition price paid by the HFSF for shares in the relevant credit institution, or the current stock market price of the shares issued by such credit institution. The foregoing also applies to share capital increases made pursuant to Law 2190/1920.

3. In the event that shares in a credit institution are acquired by a specific investor or a group of investors or the HFSF's participation therein is reduced pursuant to a share capital increase of such credit institution in favour of a specific investor or a group of investors, as contemplated above, the HFSF may (but has no obligation to):

- Invite interested investors to submit offers;
- If deemed expedient, enter into a shareholders' agreement with the investor or group of investors, as well as to amend accordingly the relationship framework agreement previously entered into between the HFSF and the credit institution concerned. In this context, the investor(s) and/or the HFSF may also agree to be locked-up for a certain period of time; and
- Provide investors who meet certain eligibility criteria (of the type set out in article 8, par. 5(d) of Law 3864/2010), including, in particular, experience in the banking business and the restructuring of credit institutions, solvency, ability to complete the transaction and the price offered, with a right of first refusal or a right of first offer.

4. The methodology of the offering of shares of the credit institution concerned pursuant to a tender offer through exchange of warrants issued pursuant to article 3 of Cabinet Act 38/2012, and the adjustment of the terms and conditions of such warrants, in the event of a share reverse split, a share split or a share capital increase of such credit institution made through a rights issue, would be determined by means of a Cabinet Act issuable pursuant to article 8, par. 6 of Law 3864/2010. In the event of a share capital increase of such credit institution made through a rights issue, the above adjustment can only be made at the exercise price of the warrants. Such adjustment can be made up to the amount that corresponds to the proceeds of the HFSF from the sale of its rights in the right issue and is effected after such sale.

Other Amendments

Law 4254/2014 made numerous other technical amendments to Law 3864/2010 and repealed articles 1 and 2 of Cabinet Act No. 38 (relating to the issuance of shares and contingent convertible securities by credit institutions which were applicable to the recapitalisation of the Four Systemic Banks in 2013).

Cabinet Act 11/2014

Cabinet Act 11/2014 was issued in implementation of paragraph 11 of article 6a of Law 3864/2010. Article 4 of Cabinet Act 11/2014 provides that, prior to the participation of the HFSF in the share capital increase of the credit institution concerned pursuant to article 7 of Law 3864/2010, if the

participation of private investors is lower than the amount of the minimum capital requirements prescribed by the Bank of Greece in the context of the procedures of article 6 of Law 3864/2010, such credit institution should immediately inform the Bank of Greece.

Without any delay thereafter, the Bank of Greece should propose to the Cabinet the reduction of the nominal value of the shares or the conversion or the reduction of the nominal value of the subordinated obligations of the credit institution concerned, in accordance with the provisions of Cabinet Act 11/2014. The proposal of the Bank of Greece shall also include the valuation of the assets and liabilities of the credit institution as performed by an independent auditor, or, if such evaluation cannot be performed on time, this valuation is performed by the Bank of Greece based on conservative estimates with respect to the assets and liabilities of the credit institution.

Following the proposal of the Bank of Greece and subject to the implementation of paragraph 5 of article 6a of Law 3864/2010 on the exemption of securities from the mandatory (bail-in) measures of that article, the Cabinet should issue the Act provided under paragraph 1 of article 6a of Law 3864/2010.

Cabinet Act 11/2014 provided further details on the technical implementation of the mandatory (bail-in) measures of article 6a of Law 3864/2010 and in particular:

1. The terms upon which the reduction of the nominal value of ordinary shares or the reduction of the nominal value or conversion of preference shares and other subordinated obligations into ordinary shares or other Tier I capital instruments would be effected. More specifically:
 - (a) If, after taking into account the measures included in the restructuring plan of the credit institution concerned (with the exception of the recording of securities or obligations to which the mandatory (bail-in) measures of article 6a of Law 3864/2010 may be applicable), the net worth of such credit institution remains negative and such credit institution submits a request to the HFSF for capital support so that it can restore its compliance with the minimum regulatory capital requirements prescribed by the Bank of Greece, then the Bank of Greece should propose to the Cabinet the reduction of the nominal value of the ordinary shares of the credit institution concerned or the reduction of the nominal value or the conversion of such credit institution's preference shares and subordinated obligations that have been issued in Greece and abroad, in the following order:
 - i. First, the reduction of the share capital of the credit institution concerned pursuant to the provisions of article 4 of Law 2190/1920, which would be effected through the reduction of the nominal value of its ordinary shares combined with an increase of its share capital which will result in the contribution of new funds. If this measure is not implemented, it is possible that the operating license of the credit institution concerned is revoked and/or special resolution measures are initiated with respect to such credit institution, in accordance with articles 8 and 63B *et seq.* of Law 3601/2007 and the provisions of Law 3458/2006.
 - ii. Second, and to the extent necessary, the reduction of the nominal value of any preference shares and other obligations that are considered Common Equity Tier 1 capital, or their conversion into ordinary shares as follows:
 - If the capital injection required in order for the net worth of the credit institution concerned to equal zero (i) exceeds the value of its issued preference shares, then the nominal value of these securities would be reduced to the maximum possible degree; or (ii) does not exceed the value of its issued preference shares, then the nominal value of these securities would be reduced in such a way that any remaining losses are absorbed,

and, for the remainder amount, would be converted, into ordinary shares of the credit institution.

iii. Finally, if after the reduction of the nominal value of the preference shares and other obligations that are considered Common Equity Tier 1 capital, the net worth of the credit institution concerned remains negative, then either the nominal value of its other subordinated instruments would be reduced or such instruments would be converted into ordinary shares as follows:

- If the capital injection required in order for the net worth of the credit institution concerned to equal zero (i) exceeds the value of its remaining issued obligations, then the nominal value of such obligations would be reduced to the maximum possible degree; or(ii) does not exceed the value of its remaining issued obligations, then the nominal value of such obligations would be reduced in such a way that any remaining losses are absorbed, and, for the remainder amount, would be converted into ordinary shares of the credit institution.

(b) If, after taking into account the measures included in the restructuring plan of the credit institution concerned (with the exception of the recording of securities or obligations to which the mandatory (bail-in) measures of article 6a of Law 3864/2010 may be applicable), the net worth of such credit institution is positive but such credit institution still requires capital support so that it can restore its compliance with the minimum regulatory capital requirements prescribed by the Bank of Greece, then the Bank of Greece would propose to the Cabinet the (in whole or in part) conversion of the preference shares and other subordinated obligations of such credit institution that have been issued in Greece and abroad, in the following order:

- i. First, the conversion of the preference shares; and
- ii. Then, the conversion of the remaining subordinated obligations, based on their rank.

The subordinated obligations of the credit institution concerned that are subject to conversion would be converted into ordinary shares as follows:

- (a) First, up to the amount that each type of subordinated obligation would correspond to in case of a special liquidation of such credit institution; and
- (b) In the case where the HFSF has already provided capital support to such credit institution and is still a shareholder thereof, and the HFSF's participation is considered state aid, for the protection of the public interest and the tax payers, up to the amount of the fair value of each type of subordinated obligation, provided that the credit institution concerned will continue its business operations,

both (a) and (b) above, divided by the issue price of the new ordinary shares, and rounded down to the nearest integer number of ordinary shares.

The offer price of the ordinary shares is calculated according to the value that is derived from the application of article 7, par. 5 of Law 3864/2010 within the framework of the share capital increase of the credit institution concerned, and no amount shall be paid in cash for any fractions of ordinary shares.

If the mandatory (bail-in) measure is the reduction of the nominal value of the ordinary shares of the credit institution concerned, such reduction would be effected pursuant to the provisions of Law 2190/1920, and if it is the reduction of the nominal value of subordinated obligations, such reduction would be deemed effected through the issuance of the abovementioned Cabinet Act. In the case of

conversion, such conversion would be effective upon the publication of the Cabinet Act, and then the new ordinary shares or other Common Equity Tier 1 capital instruments issued would be allocated to the holders of subordinated obligations of the credit institution concerned, as provided in article 3 of Cabinet Act 11/2014. The ordinary shares that will be acquired by the private investors who are holders of subordinated obligations would be kept at the care of the credit institution concerned in a special account until their delivery to each investor entitled thereto. These investors would subscribe for the upcoming share capital increase through such credit institution, and their participation in the share capital increase through the conversion would be considered as a cash contribution made via set-off. For purposes of the proper delivery of these shares to the investors entitled thereto, the credit institution concerned would inform the holders of the relevant subordinated obligations of the completion of the conversion and the actions they would need to take so that the shares are delivered to them.

Cabinet Act 11/2014 also determined the method for the conversion or reduction, as applicable, of the subordinated obligations of the credit institution concerned related to capital instruments or obligations issued by legal entities that are included in such credit institution's consolidated financial statements as well as obligations towards the credit institution arising from existing loan agreements between the credit institution and such third parties, which are also classified as subordinated obligations. More specifically, the credit institution concerned should include in the restructuring plan that it will submit pursuant to article 6 of Law 3864/2010, a detailed list of the above mentioned obligations and claims, along with its proposal setting out:

- (a) the measures that need to be taken to call any guarantees granted by it and/or to trigger the non-payment of related dividends or interest;
- (b) specific legal actions required for the substitution of the credit institution concerned in the obligations of legal entities that are consolidated in its financial statements, taking into account contractual provisions that may be applicable to the issuance of such obligations; and
- (c) any other measures that may be deemed necessary for the implementation of the mandatory (bail-in) measures of paragraph 2 of article 6a of Law 3864/2010 with respect to the abovementioned obligations.

Finally, Cabinet Act 11/2014 sets out the procedure for the appointment of an evaluator who is independent from any public authority pursuant to the provisions of article 6a paragraph 4 of Law 3854/2010, as well as the content, scope of the evaluation, and cases in which such evaluation is to be taken into account, and any related matters that may arise in connection with the evaluation performed under article 6a paragraph 9 of Law 3864/2010.

The Greek Banking Sector Under the Hellenic Economic Crisis and the Economic Adjustment Programmes

As a result of the economic crisis detailed above, the stability of the Greek financial system came under considerable pressure in recent years. In particular, the instability in the money and capital markets, including the market for Hellenic Republic bonds, adversely affected the profitability and liquidity ratios of the Greek banking sector. Whilst the widening of Hellenic Republic bond credit spreads increased the market risk for Greek banks, the deterioration of the financial situation of businesses and households led to a further increase in 90dpd ratios for Greek banks. A rise in the 90dpd ratio was observed across all loan categories, which according to the Bank of Greece has increased from 15.9 per cent. as at 31 December 2011, to 24.6 per cent. as at 31 December 2012 and to 31.2 per cent. as at 30 September 2013 (the latest available official data from the Bank of Greece). Specifically, losses from financial operations, coupled with a significant increase (on an annual basis) in provisions for credit risk, adversely affected Greek banks' results of operations. Subsequently, the capital adequacy and financial condition and results of operations of banks and their groups were significantly impacted by the PSI, implemented in March and April 2012.

To restore the capital adequacy of Greek banks, the Second Economic Adjustment Programme for Greece contemplated a €50 billion programme in February 2012. According to the Bank of Greece, the capital needs of all Greek banks as of May 2012 were €40.5 billion for the period up to 2014, out of which €27.5 billion were required for the Four Systemic Banks (National Bank of Greece S.A., Eurobank, Alpha Bank S.A. and Piraeus Bank S.A.). The amount of €40.5 billion included losses of €37.7 billion, or 93 per cent. of that amount, which resulted from the implementation of the PSI. The Four Systemic Banks, having €27.5 billion in capital needs, incurred losses from the PSI of €28.2 billion as at 31 December 2011.

The 13 per cent. decrease in deposits in Greek banks observed during the first half of 2012 was reversed after the June 2012 elections and the forming of a new government, and deposits in Greek banks increased by 8.9 per cent. between the end of June 2012 and the end of the first nine months of 2013. As at the end of 2012, financing of Greek banks through the Eurosystem amounted to €121 billion, out of which only €19 billion originated from the European Central Bank. The limited liquidity conditions and the use of the Emergency Liquidity Assistance by Greek banks have contributed to the considerable increase of their funding costs, whilst the cost of deposits remained at a particularly high level.

In 2013, the Greek economy experienced a more moderate contraction in GDP compared to its performance in 2012 and 2011. As a result of the primary budget surplus, the Greek economy is showing signs of starting to stabilise. While political uncertainties remain, there are indicators that economic conditions in Greece are improving. According to the Bank of Greece's Deposits report published in January 2014, as at 31 December 2013, the level of total deposits in Greek banks has stabilised, with a 1.1 per cent. increase in domestic deposits as at 31 December 2013 from 31 December 2012. In addition, total Eurosystem funding of Greek banks decreased significantly from €121 billion as at 31 December 2012 to €73 billion as at 31 December 2013. The potential restructuring of Greek public debt and the ability of Greece to regain access to the international capital markets on acceptable terms are two key factors which, if achieved, are expected, among others, to positively affect the Greek banking sector.

The Bank of Greece is expected to closely monitor developments to ensure that the necessary steps are taken to increase the capital adequacy of Greek banks where needed. The establishment of the HFSF, the allocation of €50 billion under the Second Economic Adjustment Programme to recapitalise Greek banks, as well as the successful completion of the recapitalisation of the Four Systemic Banks in 2013 were designed to attempt to provide a safety net for Greek banks' capital adequacy.

Against this background, the Bank of Greece conducted a follow-up stress test on the basis of data as at 30 June 2013 to update its assessment of the capital needs of Greek banks on a consolidated basis. The updated stress test, which covered all Greek commercial banks (i.e., more than 95 per cent. of the total assets of Greek banks), comprised two main elements:

- a diagnostic study of the banks' loan portfolios independently conducted by BlackRock; and
- a conservative adjustment of banks' internal capital generation on the basis of their restructuring plans.

Under a baseline scenario, the estimated capital needs for all Greek commercial banks amounted to €6.4 billion. The Bank of Greece officially requested banks to submit by mid-April 2014 their capital plans for covering the identified capital needs under the baseline scenario. The Bank of Greece indicated that, under reasonable levels of economic uncertainty, these capital needs should be covered during the stress test horizon (June 2013 to December 2016) by existing built-in buffers and mitigating actions, as well as the untapped portion of the HFSF's backstop facility.

Risk of Implementing the Second Economic Adjustment Programme

The implementation of Second Economic Adjustment Programme's measures continues to be subject to a range of substantial risks, including:

- Recessionary pressures in Greece are far more intense and prolonged than initially projected, taking a heavy toll on the fiscal adjustment effort, on both the revenue and expenditure sides, whilst the deterioration in labour market conditions is unprecedented (with an unemployment rate of 27.3 per cent. in 2013).
- In the event of policy implementation deficiencies or shortfalls, or in the event that the Greek economy takes longer to respond to labour market and supply-side reforms, recession is likely to be deeper than expected, leading to a higher debt trajectory and additional debt relief by the public sector, and/or a default on bonded debt.
- Further delays in the implementation of the privatisation agenda may have significant consequences not only for debt reduction (under the Second Economic Adjustment Programme privatisation revenues are directly allocated to debt reduction purposes) but also for medium-term growth since privatisations remain the main source of foreign direct investments in the medium term.
- Market concerns regarding Greek public debt sustainability may not dissipate despite substantial debt relief and significant debt re-profiling.
- The process of internal devaluation and the restoration of competitiveness—despite the rapid progress in wage cost containment — could be more prolonged than currently projected by the Second Economic Adjustment Programme, investor sentiment could remain poor despite the reform efforts, or Greek bank deleveraging could proceed more rapidly than envisioned, undermining corporate investment and private sector sentiment.
- Implementation of the Second Economic Adjustment Programme will require strong political will and public support in Greece in the upcoming years, which in Greece will be greatly challenged by already-substantial social costs, due to austerity measures and the prolonged recession. Against this backdrop, a potential demand from EU partners or the IMF for additional corrective measures or amendments to the agreement underlying the Second Economic Adjustment Programme could destabilise the Greek coalition government, possibly derailing the Second Economic Adjustment Programme.
- The Hellenic Republic may continue to experience difficulty accessing the private capital markets, even after the achievement of a credible solution regarding the financing gap for 2014 to 2015 identified in the Second Economic Adjustment Programme and the additional debt relief measures agreed to by the Eurogroup on 27 November 2012.
- Economy-wide liquidity conditions may remain tight given the current wholesale market conditions and the significant decline in domestic bank private sector deposits caused by uncertainty and the recession (domestic bank private sector deposits declined by 31.4 per cent. between the third quarter of 2009 and the fourth quarter of 2013, according to Bank of Greece data). To date, ECB liquidity has been sufficient to counterbalance the contraction of alternative liquidity sources through sufficient Eurosystem lending, whilst an ELA facility has been activated by the Bank of Greece since the third quarter of 2011. However, the terms under which liquidity support is provided from the Eurosystem may be tightened or terminated.
- Considerable uncertainty surrounds short-term economic prospects in the Eurozone and the medium-term unconditional political commitment of Eurozone member partners, including concerns about Eurozone member partners' ability and determination to support the Greek effort in the upcoming years and to ensure Greece's programme financing and

debt sustainability in the medium to long term. In this context, the commitment of the IMF to participate in Second Economic Adjustment Programme financing may also be questioned in the future.

Accordingly, these are challenging times for the banking sector in the Hellenic Republic and the EU and it is difficult for Eurobank to predict or state with any degree of certainty whether the Second Economic Adjustment Programme and any amendments thereto will be implemented successfully and, if implemented successfully, whether it will have the effects intended, and how severe an impact on the Bank's results of operations and financial condition an implementation of the Second Economic Adjustment Programme and any amendments thereto, successful or unsuccessful, might have. For more details on the risks and uncertainties that the Bank faces see "Risk Factors".

REGULATION AND SUPERVISION OF BANKS IN GREECE

Eurobank is subject to financial services laws, regulations, administrative actions and policies in each location where the Bank operates. In addition, due to the trading of the Bank's ordinary shares on the ATHEX, the Bank is also subject to the applicable capital markets laws.

Regulation of the banking sector in Greece has changed in recent years as Greek law has changed largely to comply with applicable EU directives. A number of regulatory initiatives in progress in the field of bank supervision and resolution, as well as in the field of the capital requirements imposed on banks, which may affect in the future matters such as the Bank's capital requirements and the course of the Bank's business, are discussed below under "—European Developments—The EU framework regarding the Single Supervisory Mechanism and the Single Resolution Mechanism" and "—European Developments—Capital Requirements – CRD IV". Further amendments are expected to enter into force once the Greek Parliament votes on a draft bill recently submitted for voting entitled "Access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, transposition of Directive 2013/36/EU, abolishment of Law 3601/2007 and other provisions", which will transpose Directive 2013/36/EU into Greek law. For a discussion of Directive 2013/36/EU see below under "—European Developments—Capital Requirements – CRD IV". Recently, the Greek Government has revised the terms of the Hellenic Republic Bank Support Plan to strengthen Greek banks' capital and liquidity positions. For more information concerning Eurobank's participation in this plan, see "The Banking Sector and the Economic Crisis in Greece—The Hellenic Republic Bank Support Plan".

The Regulatory Framework

The Bank of Greece is the central bank in Greece. It is responsible for the licensing and supervision of credit institutions in Greece, in accordance with Law 3601/2007 on licensing, operation, supervision and control of credit institutions, Law 3746/2009 on the Greek deposit and investment guarantee fund, Law 3691/2008 on anti-money laundering provisions, Law 3862/2010 on payment services and credit institutions and other relevant laws of Greece, each as amended and in force. Also, in accordance with Law 1266/1982 on organisations exercising monetary, credit and currency policy, the Bank of Greece has regulatory and supervisory powers relating to the operation of credit institutions in Greece.

The Bank of Greece issues a banking license to the credit institutions meeting the requirements set by the provisions of Law 3601/2007. More specifically, Law 3601/2007 regulates and determines the issues pertaining to the granting of an establishment and operation license of a credit institution in Greece and the revocation of such license, the business of credit institutions, the establishment and provision of services by credit institutions, relations with third countries, matters relevant to qualified holdings of credit institutions in other businesses and the participations of individuals or entities in credit institutions, the supervision of credit institutions by the Bank of Greece, both on a solo and a consolidated basis, disclosure of information to the Bank of Greece, professional secrecy, the obligations of individuals involved in the legal audit of annual consolidated financial statements, the appointment of an administrator, penalties, and provisions relating to the reorganisation and winding-up of credit institutions (including the special liquidation of credit institutions) and the capital adequacy of banking groups including investment firms.

Credit institutions operating in Greece are required to:

- comply with the capital adequacy ratios determined by Acts of the Governor and of the Executive Committee of the Bank of Greece;
- observe the liquidity ratio determined by Acts of the Governor and of the competent committees of the Bank of Greece;

- maintain efficient internal control, setting up independent compliance, internal audit and risk management systems and procedures, as determined by Acts of the Governor and of the competent committees of the Bank of Greece;
- adopt a Remuneration Policy and set up a Remuneration Committee;
- submit to the Bank of Greece periodic reports and statements;
- publish regulatory-related information primarily via their site on the internet and secondarily using other means to this end;
- provide the Bank of Greece with such further information as it may require; and
- in connection with certain operations or activities, make notifications to or request the prior approval of (as the case may be) the Bank of Greece, in each case in accordance with the applicable laws of Greece and the relevant Acts, Decisions and Circulars of the Bank of Greece.

Under Law 3601/2007, other relevant laws of Greece and Acts of the Governor of the Bank of Greece, the Bank of Greece, in the exercise of its control over Greek credit institutions, has the power to conduct audits and inspect the books and records of credit institutions. If a credit institution breaches any law or regulation falling within the scope of the supervisory power attributed to the Bank of Greece, the Bank of Greece is empowered to:

- require the relevant credit institution to take appropriate measures to remedy the breach;
- impose fines;
- appoint a commissioner to evaluate the general financial, administrative and organisational state of the credit institution and take all necessary steps to ensure its proper operation, preparing it either for recovery or entry into liquidation proceedings;
- where the breach cannot be remedied revoke the license of the credit institution and place it in a state of special liquidation; and
- where deemed appropriate, implement the measures provided for in articles 62 et seq., of Law 3601/2007.

In particular:

a. The Bank of Greece may require any credit institution actually or potentially failing to comply with the requirements set out by Law 3601/2007 and/or the relevant decisions of the Bank of Greece to take the necessary actions or resolution measures (Preventive Supervisory Measures) in order to cope with weaknesses or deficiencies at an earlier stage. In this context and in addition to other measures already provided for in Law 3601/2007, the Bank of Greece may itself prepare a resolution plan for the credit institution or may require the credit institution to prepare a recovery plan, or to proceed with a share capital increase or to seek the prior approval of the Bank of Greece for future transactions that the Bank of Greece finds might be detrimental to the solvency of the credit institution.

b. The Bank of Greece may appoint a commissioner to a credit institution for a period of up to 12 months in circumstances where:

- (i) the credit institution is impeding the Bank of Greece in its oversight role in any way;
- (ii) the credit institution is committing serious or repetitive violations of laws or Bank of Greece decisions, or when there are reasonable doubts with respect to the sound and prudent management of the credit institution, such that its solvency, the interests of

depositors or the overall financial stability or public confidence in the Greek financial system are put at risk;

- (iii) the credit institution has inadequate Tier I capital or is unable to service its obligations (and particularly to secure depositors' and creditors' funds);
- (iv) the credit institution is failing or refusing to increase its Tier I capital to the minimum required level;
- (v) it is necessary for the protection of public confidence, particularly depositors', in the stability and proper operation of the Greek financial system;
- (vi) it is necessary for the reduction of systemic risk or prevention of situations that might destabilise the Greek financial system, taking into account any prevailing bank and interbank market conditions.

This period may be extended by up to six months by decision of the Bank of Greece. The commissioner appointed by the Bank of Greece should assess the credit institution's overall financial, administrative and organisational situation and take any steps necessary to either prepare the credit institution for recovery or implementation of the resolution measures under articles 63C-63E et. seq. of Law 3601/2007, or to place it into special liquidation pursuant to article 68 of the same law. From the announcement of the commissioner's appointment in the credit institution, all management-related acts shall be void without the commissioner's participation, and in the event that the Bank of Greece decides that the credit institution's operations cannot continue under its current management, the Bank of Greece should assign the management of such credit institution to the commissioner. The commissioner will be subject to the oversight of the Bank of Greece.

c. The Bank of Greece may commence the resolution measures set forth in articles 63C-63E of Law 3601/2007 to ensure the financial stability of and strengthen public confidence in the Greek financial system. In particular, the Bank of Greece may: (a) instruct the commissioner to proceed with a share capital increase within a specified time period, with simultaneous negation of any pre-emption rights of the existing shareholders; (b) compel the credit institution to transfer certain assets and liabilities to another credit institution or entity for consideration and by some specified time; (c) recommend that the Minister of Finance establish on public interest grounds a transitional credit institution (the "TCI"), to which all or part of the assets and liabilities of the credit institution will be transferred. In such a case, the licence of the initial credit institution is withdrawn and it is posed under special liquidation. The TCI's main objective is to ensure the continuity of the critical functions and the paying services of the initial credit institution. The share capital of the TCI will be fully paid by the HFSF, and the TCI will be subject to the control of the HFSF and, if the HFSF ceases to exist, of the Hellenic Republic pursuant to the provisions of Law 3864/2010. The TCI may operate for a maximum period of two (2) years, unless it is extended for two (2) additional years by decision of the Minister of Finance, following a recommendation by the Bank of Greece.

Whenever the Bank of Greece decides that any of the above circumstances have been met in the case of a particular credit institution, it must notify the HFSF and provide the HFSF with information about the financial situation of the credit institution, as well as any other information that the HFSF may need in order to apply any resolution measures. To this effect, the Bank of Greece and the HFSF will execute a memorandum providing the information that must be exchanged between them and the details of their cooperation.

The shareholders or the creditors of the credit institution who believe that their financial position has deteriorated following the implementation of any resolution measures of articles 63C-63E of Law 3601/2007 as compared to what their position would have been if the credit institution had been put directly in special liquidation, may request compensation from the Hellenic Republic in an amount that would restore them to the financial position they would have been in if a special liquidation had instead taken place.

In relation to the recovery and resolution of credit institutions, the European Commission has submitted a “Proposal for a directive of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directives 77/91/EEC and 82/891/EC, Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC and 2011/35/EC and Regulation (EU) No. 1093/2010”. On 12 December 2013, the European Commission announced that the EU Member States and the European Parliament reached a political agreement on a framework for this proposed recovery and resolution directive. The agreed framework still remains subject to technical finalisation and formal approval by the EU Council and the European Parliament, but if the proposed directive is adopted as currently expected, the above provisions of Greek law will need to be amended or replaced accordingly.

d. In case a credit institution’s license is withdrawn, the Bank of Greece, pursuant to article 68 of Law 3601/2007, poses the institution under special liquidation and appoints a special liquidator to manage the credit institution for the duration of the liquidation procedure which is carried out pursuant to the rules set out in the regulation for the special liquidation of credit institutions issued by the Credit and Insurance Affairs Committee of the Bank of Greece initially on 4 November 2011.

According to Law 2832/2000, if a credit institution violates any laws falling within the regulatory and supervisory powers of the Bank of Greece, the latter is, in addition to its power to impose sanctions under special laws, vested with the general competence to impose sanctions on credit institutions.

Capital Requirements

The Basel II framework was integrated into the European Union in June 2006 through EU Directives 2006/48/EC and 2006/49/EC. Greece implemented the above Directives by Law 3601/2007 in August 2007. Following the enactment of Law 3601/2007 on 20 August 2007, the relevant implementing Acts of the Bank of Greece were issued, setting out the details of the implementation of Basel II, which came into force on 1 January 2008 and have been since amended.

In 2008, the European Commission submitted a Proposal for a Directive of the European Parliament and the European Council amending EU Directives 2006/48/EC and 2006/49/EC regarding banks affiliated with central institutions, certain components of equity, large exposures, supervisory arrangements and crisis management, which led to the adoption of EU Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009 and EU Directive 2010/76/EC of 24 November 2010 (“CRD III”), which were transposed into Greek law.

CRD III introduced a number of changes in response to recent and current market conditions which may:

- increase the capital requirements for trading portfolios to ensure that a bank’s assessment of risks associated with trading portfolios better reflects the potential losses from adverse market movements in stressed conditions; and
- limit investments in securitisations and re-securitisations and impose higher capital requirements for re securitisations to ensure that banks take proper account of the risks of investing in such complex financial products.

According to Act 13/28.03.2013 of the Executive Committee of the Bank of Greece, with effect from 31 March 2013, credit institutions based in Greece must have at least a 9 per cent. core equity capital to total risk-weighted assets ratio, on a solo and consolidated basis. Furthermore, article 27 of Law 3601/2007 provides that credit institutions should have sufficient funds of their own to cover settlement risk exposure, not only for their trading portfolio as currently applicable, but for the entirety of their business activities, while under article 29 of the same law, credit institutions are required to adopt appraisal policies which will ensure that any published information will provide the market with comprehensive information and data relating to their risk profile. Otherwise, they must disclose the

necessary data and information, which in their opinion are necessary for this purpose, in addition to those identified under criteria set by the Bank of Greece.

Additional Reporting Requirements

Following the adoption of Basel II guidelines, the Bank of Greece issued Governor's Act 2606/2008, determining new reporting requirements for credit institutions in Greece. Bank of Greece/GA 2651/20.01.2012 re-determined the periodic reporting requirements of credit institutions towards the Bank of Greece, thus completing on a technical level the implementation of the Basel II bank supervision framework.

Such reporting requirements require submission of reports on the following items:

- capital structure, qualified holdings, persons who have a special relationship with the credit institution and loans or other types of credit exposures that have been provided to these persons by the credit institution;
- own funds and capital adequacy ratios;
- credit risk, counterparty credit risk and delivery / settlement risk;
- market risk of the trading book (including foreign exchange risk);
- information on the composition of the trading book;
- operational risk;
- large exposures and concentration risk;
- liquidity risk;
- interbank market data;
- financial statements and other financial information;
- covered bonds;
- internal audit systems;
- combating money laundering and terrorist financing;
- information systems; and
- other information.

In addition to the above, according to Act 2644/2011 of the Governor of the Bank of Greece, the Bank must submit to the Credit System Supervision Division of the Bank of Greece information on every transaction it performs in the interbank market by the close of business on the day following the value date of the transaction.

Compulsory Deposits with the Central Bank

The compulsory reserve requirement framework has been amended in accordance with Eurosystem regulations. Starting from January 2012, the compulsory reserve requirement ratio is 1 per cent. for all categories of liabilities comprising the reserve base, with the exception of the following liabilities to which a zero per cent. ratio applies:

- deposits with agreed maturity over two years;

- deposits redeemable at notice over two years;
- repurchase agreements; and
- debt securities with agreed maturity over two years.

Interest Rates

Under Greek law, contractual interest rates applicable to bank loans and bank credit in general are not subject to a legal maximum, but they must comply with certain requirements intended to ensure clarity and transparency, including with regard to their readjustments.

Limitations apply to the compounding of interest. In particular, the compounding of interest with respect to bank loans and credits only applies if the relevant agreement so provides and is subject to limitations that apply under Article 12 of Law 2601/1998, Article 30 of Law 2789/2000 and Article 39 of Law 3259/2004.

Default interest may not exceed the aggregate of contractual interest plus a maximum percentage determined from time to time by the Bank of Greece.

Money Laundering and Terrorist Financing

As a fully cooperative member of the Financial Action Task Force (“FATF”) and a Member State of the European Union, Greece abides by FATF recommendations and has transposed EU Council Directives 2005/60/EC and 2006/70/EC with Law 3691/2008, as well as the International Convention for the Suppression of the Financing of Terrorism with Law 3034/2002.

According to Law 3691/2008, *inter alia*:

- Money laundering, including money laundering deriving from tax evasion, and terrorist financing are criminal offences;
- Credit institutions and financial organisations, including credit companies and insurance companies that provide life insurance or/and services related to investments, are included among the persons being bound by the provisions of the above law;
- Credit institutions are obliged to apply measures for verifying the identity of their customers, on-going monitoring of the business relationship, holding files and reporting suspicious transactions to the competent authorities;
- The Bank of Greece is the competent authority supervising, among others, credit institutions in relation to their compliance with the requirements prescribed by Law 3691/2008 and issuing implementing administrative and regulatory acts, while the Ministry of Finance is the central coordinator regarding the implementation of such law, assessment of the effectiveness of the mechanisms put in place for this purpose and coordination and enhancement of the actions of all competent authorities involved;
- Banking secrecy related restrictions do not apply in the context of exchange of information for the purpose of money laundering prevention and suppression; and
- The Anti-Money Laundering, Counter-Terrorist Financing and Source of Funds Investigation Authority is responsible for investigating reports filed by all persons subject to the requirements of Law 3691/2008 with respect to suspicious transactions.

The Bank of Greece has issued a number of enabling decisions which are applicable to credit and financial institutions supervised by them and, where relevant, take into account and reflect the FATF

recommendations and the common position regarding the obligations imposed by the European Regulation 1781/2006 “on information on the payer accompanying transfers of funds”.

Such decisions relate to, among other matters, the “know-your-customer” process and related documentation, an indicative typology of unusual or suspicious transactions and the framework of administrative sanctions that may be imposed upon credit and financial institutions supervised by the Bank of Greece.

Furthermore, certain Acts of the Governor of the Bank of Greece have been recently amended, providing for, *inter alia*:

- (a) the obligation of credit institutions to confirm their clients’ income when they establish the clients’ business profile by using tax related information and documents, subject to certain exemptions;
- (b) the addition of a new category of high risk clients, who present an increased risk of committing tax evasion or unlawfully laundering proceeds from tax evasion, to which enhanced due diligence measures apply;
- (c) the amendment of the limit of cash withdrawals to €50,000 (from €250,000), above which the issue of bank checks or making of wire transfers to a bank account is recommended; and
- (d) the addition of a new category in the indicative typology of unusual or suspicious transactions, which may be connected or related with tax evasion.

Finally, the Group has put in processes to procure compliance with the so called “USA PATRIOT Act 2001”, which includes provisions relating to banks and financial institutions with respect to money laundering worldwide.

Payment Services and Single Euro Payments Area

Payment Services

Greece has transposed Directive 2007/64/EC on payment services, also known as the “Payment Services Directive” (the “PSD”) pursuant to Law 3862/2010, requiring every payment service provider, such as the Bank, to ensure in an accessible form a minimum level of information and transparency regarding the provided payment services, under the terms and conditions set forth in such law. Law 3862/2010 also provides further protection regarding the rights of the users of the payment services, while it only applies where both the payer’s payment service provider and the payee’s payment service provider are located in the EU, with the exception of the provision regarding the value date of the transaction.

On 24 July 2013, the European Commission published a proposal for a directive of the European Parliament and of the Council “on payment services in the internal market and amending Directives 2002/65/EC, 2013/36/EU and 2009/110/EC and repealing Directive 2007/64/EC” which it is intended to incorporate and repeal the PSD. This proposal, referred to as the PSD2, is expected to improve the functioning of the internal market for payment services and more broadly for all goods and services given the need for innovative, efficient and secure means of payments.

Single Euro Payments Area (SEPA)

Regulation (EC) No 2560/2001 on cross-border payments in euro laid the foundations of the SEPA policy by establishing the principle that banks are not permitted to impose different charges for domestic and cross-border payments or automated teller machine (ATM) withdrawals within the EU. After the publication of PSD and prior to the issuance of Law 3862/2010, Regulation 924/2009/EC on cross-border payments in the European Community was issued, which repealed Regulation

2560/2001/EC, entered into force on 1 November 2009, introduced additional provisions which further promoted EU financial integration in general and SEPA implementation in particular, and reduced significantly the charges payable by consumers and other payment service users for regulated payment services, such as credit transfers, direct debits, cash withdrawals and money remittance. Regulation 924/2009/EC applies to payments in euro in all EU member States.

Regulation 924/2009/EC has been amended by the Regulation 260/2012/EU which is also known as the SEPA (migration) Regulation. The SEPA Regulation established technical and business requirements for credit transfers and direct debits in euro. According to its transitional provisions, credit transfers and direct debits shall be carried out in accordance with the relevant requirements set out in it by 1 February 2014, subject to certain limited exemptions mentioned in such regulation. In non-euro countries, the provisions of the SEPA Regulation will become effective as of 31 October 2016. Effectively, this means that as of these dates, existing national euro credit transfer and direct debit schemes will be replaced by SEPA Credit transfer (SCT) and SEPA Direct Debit (SDD) schemes, which should comply with the technical requirements detailed in the SEPA Regulation. The currency of the funds exchanged through such schemes is also euro.

Full compliance with the SEPA Regulation is expected to lead to more streamlined internal processes, lower IT costs, reduced costs based on bank charges, a consolidated number of bank accounts and cash management systems, and more efficiency and integration of any organisation's payment business.

Loan Collateral

Banks are allowed to provide collateralised loans and credit to their customers, secured against real estate and movable property, assets and receivables including cash deposits. Mortgage financing from banks is mostly made in the form of a pre-notation of mortgage, due to the lower cost and easier registration procedure as compared to a mortgage. A pre-notation of mortgage may be converted into a full mortgage by virtue of a final court decision ordering payment.

Restriction Regarding the Liquidation of Collateral

Pursuant to a temporary suspension imposed by Law 4224/2013, which is set to expire on 31 December 2014, auctions in Greece against real estate property declared by the debtor in the debtor's latest tax return as constituting the debtor's primary residence are prohibited if the following conditions are cumulatively met:

- (a) The "objective" value of the real estate property does not exceed €200,000;
- (b) The annual declared income of the debtor, excluding social security contributions, income tax and the one-off solidarity contribution, does not exceed €35,000;
- (c) The total value of the debtor's property, both movable and immovable, does not exceed €270,000; and
- (d) The total value of the debtor's deposits and investments in securities, both in Greece and abroad, does not exceed €15,000, as at 20 November 2013, excluding any periodic payments under pension and insurance plans.

The aforementioned amounts are increased by 10 per cent. in the case of debtors who have three or more children or who are handicapped or who are burdened, with reference to tax issues, with handicapped persons.

Debtors whose primary residences are protected have the obligation to provide to their creditors a declaration with certain information, including their contact details and certain financial information, including information on the fulfilment of the above conditions. Furthermore, during the auction ban, creditors may address to the debtor a request for the provision of certain documents provided for by

law, evidencing the debtor's financial situation, family and health status, which the debtor must provide within one month from receipt of such request. Failure to comply with the aforementioned obligations would result in the lifting of the auction prohibition with respect to the debtor and the claim in question.

During the ban, debtors have the obligation to pay to their creditor (or pro rata to their creditors, if more than one) a monthly instalment, which may not exceed 10 per cent. of their net income up to €15,000, and 20 per cent. on the part of their net income which exceeds €15,000, if any. The aforementioned threshold is increased to €20,000 in case of debtors who have three or more children or who are handicapped or who are burdened, with reference to tax issues, with handicapped persons, while unemployed debtors or debtors whose income does not exceed the amount of the unemployment benefit may be fully exempted from payment. For debtors who are (i) not unemployed, (ii) not employed under a dependent employment contract with the private or public sector and (iii) not pensioners or salaried, the monthly instalment amount, calculated as above, cannot be less than 20 per cent. of the last non-overdue instalment paid to their creditor(s).

Any payments made during the ban are deducted from the balance of the debt. However, a failure to pay a total of three monthly instalments would result in the lifting of the ban with respect to the debtor and the claim concerned. Finally, as long as the debtor's primary residence is protected under the law, the ban extends automatically to auctions against immovable property of any guarantor(s) with respect to the debt in question.

Loan Settlements and Restructurings

Since the onset of the economic crisis in Greece, the Greek Government has passed certain laws, such as Laws 3816/2010, 3869/2010 and 4161/2013, enabling eligible borrowers to settle or restructure, as applicable, their debt obligations towards credit institutions. Law 3869/2010 (discussed below under “—Settlement of amounts due by over-indebted individuals”) continues to apply, while the provisions of Law 3816/2010, concerning the restructuring of professional and corporate loans which were either due (from 1 January 2005 onwards), or not due and owed to credit institutions by individuals or legal entities, expired on 15 April 2010. In addition, the facilitation program established by Law 4161/2013 (which gave individuals the opportunity to be partially discharged from payment of their performing/non-overdue loan obligations towards credit institutions and credit companies for a grace period of 48 months) was scheduled to expire on 16 April 2014.

In addition, pursuant to Law 4224/2013 enacted in late December 2013, an intergovernmental council for the management of private debt (the “Council”) has been created with the following objectives:

- (i) to define policies in connection with the organisation of a comprehensive mechanism for the efficient management of non-performing private loans;
- (ii) to make proposals for the amendment of the existing legal framework on matters of substance and process to enhance the effectiveness of private debt resolution issues, including the acceleration of the procedures relating to delayed loan repayment and the improvement of the legal framework governing the real estate market;
- (iii) to define actions of public awareness for the purpose of directly and efficiently informing and supporting citizens and other interested parties with respect to taking decisions on the above matters; and
- (iv) to create a network providing advisory services on debt management issues.

Moreover, Law 4224/2013 provides that the Council defines the principles related to the “cooperating borrower” and assesses on an annual basis the “reasonable living expenses” which should be incorporated into the so-called “Banks’ Code of Conduct” for the management of private non-performing debts to be issued by the Bank of Greece and entered into force by 31 December 2014.

Such code shall include provisions regarding, among other matters, risk assessment, the assessment of the borrower's ability to repay its debts, binding rules of conduct for banks with specific deadlines and terms of communication among banks and their borrowers, making use of the definition of the "cooperating borrower" and of "reasonable living expenses" to be used by banks in deciding with respect to the settlement and/or restructuring of non-performing loans.

Finally, Law 4224/2013 provides that the Consumer Ombudsman will act as mediator between lenders and borrowers for the purpose of settling non-performing loans mainly in connection with matters relating to the application of the above-mentioned "Banks' Code of Conduct".

Settlement of Amounts Due By Over-indebted Individuals

Law 3869/2010 for "the settlement of amounts due by over-indebted individuals", which entered into force on 3 August 2010, allows the over-indebted debtors who have unintentionally come into an evidenced state of permanent inability to repay their debts that have become due, to file a petition for the settlement or release there from. All individuals, consumers and professionals, who cannot qualify for bankruptcy, are subject to the provisions of Law 3869/2010.

Law 3869/2010 has been amended on numerous occasions and permits settlement of all debts to credit institutions (from consumer, mortgage and professional loans) or other creditors, subject to certain exemptions.

Debts must have been assumed more than one year before the filing of the relevant petition to the secretariat of the competent Court and a debtor may be released of his debts only once. Prior to the filing of the petition of the debtor with the Court, the parties may resort to mediation.

The debtor's petition to the local Court of Peace (*Eirinodikeio*) should include, among other information, a list setting out his/her assets and income, as well as the income of his wife/her husband, a list of his/her creditors and their claims including principal, interest and expenses, as well as a settlement proposal. Within 15 days from filing the petition, the debtor must serve it to the creditors and the guarantors. Within a month from such service the creditors must file their opinion on the settlement proposal. If a creditor is not included in the list of creditors filed by the debtor together with the petition, such creditor's claims are not affected by the settlement procedure. Apart from the hearing date for the petition, which is fixed within six months from the petition filing, the Court fixes a "day of ratification", obligatorily two months from the petition filing, on which if the consensus prerequisites set by law are met, a prejudicial reconciliation is reached and ratification of the settlement proposal takes place. If consensus is not met on such day, the Judge, at the request of the debtor or a creditor or on his own initiative, orders the suspension of the enforcement proceedings against the debtor, the preservation of the actual and legal status of his property as well as the payment of monthly instalments to the creditors until a final decision is issued on the petition.

Until the day of ratification, no enforcement proceedings against the debtor are allowed to be undertaken, nor any change to the actual and legal status of his/her property. After the hearing on the day of ratification, the debtor or any other person with a lawful interest may request from the competent Court to suspend the enforcement proceedings against the debtor. Suspension is granted until the final decision is issued on the settlement plan, if the Court considers it probable that the enforcement proceedings would cause substantial damage to the debtor's interests and that the decision will be in his favour. Suspension results in an *ipso jure* prohibition of disposal of the debtor's assets. Also the Court may, upon request of any person having a lawful interest, order any measure it may deem necessary in order to prevent any alteration to the debtor's property or reduction of its value that could be to the detriment of creditors, until a decision is issued on the petition.

If the creditors reject the settlement proposal or if there are objections not bypassed in accordance with the provisions of the aforementioned law, the Court shall verify the validity of the contested claims and whether the requirements for the settlement and the release of the debtor are met.

In case a creditor is not included in the debtor's settlement proposal, the Court settles his claims also in accordance with article 744 of the Code of Civil Procedure or orders that he/she is properly summoned and sets a new hearing date. Should the petition of the debtor be rejected, no new petition may be submitted for one year. Should the petition be accepted, if the debtor's property is not adequate, the Court obliges him/her to pay on a monthly basis, for a period of three to five years, in the Court's discretion, a certain amount for the repayment of the creditors' claims, such amount to be allocated pro rata. The amount to be paid is determined by the Court based on the individual's income of any kind and especially his/her income from his/her profession, the ability of his/her spouse to contribute and after taking into consideration the life needs of the debtor and his/her dependants. The Court's decision may determine that said amount is to be adjusted periodically. By petition of the debtor or the creditor, the Court may change the settlement of the debts in terms of the amount of the monthly instalments when this is justified by subsequent events or by changes in the debtor's financial position and income. The Court may also release the debtor from the obligation to pay on a monthly basis a certain amount in cases of exceptionally adverse conditions (e.g., long-term unemployment or severe health problems) and may fix in the same decision, not earlier than five months, a new hearing for the re-determination of the monthly payments. The debtor's property may be liquidated for the repayment of creditors if the Court considers it necessary, but the debtor may exclude his/her main residence from liquidation by undertaking the obligation to repay debts corresponding to up to 80 per cent. of the "objective" value of his main residence, at a favourable fixed or floating interest rate, without interest compounding, according to article 9 of Law 3869/2010 and with a potential grace period. For the determination of the term of the amortised repayment of the stipulated total debt, the Court takes into account the term of the contracts by virtue of which the credits were granted to the debtor. This term may not however exceed twenty years, unless the duration of the loan contracts by virtue of which credit was granted to the debtor, was longer than twenty years, in which case the Judge may fix a longer term not to exceed however thirty-five years. It should also be noted that the debtor's main residence is protected not only in the case of full ownership, but also in cases of bare ownership and usufruct or such partial rights.

Proper performance by the debtor of the obligations imposed by the Court's decision on the debt settlement, releases the debtor from all remaining unpaid balance of claims of all creditors, including claims of creditors who had not announced their claims. Following relevant application by the debtor, the Court certifies such release to the creditors. If the debtor delays the performance of the obligations under the debt settlement for more than three months or otherwise repeatedly displays reluctance with respect to the observance of the settlement, the Court may order cancellation of the settlement, upon petition of any creditor, which must be filed within four months from the breach, the latest. In case the debtor does not succeed in being released from his/her debts under Law 3869/2010, the creditors' claims are restored to the amount that they would have risen to if no petition for debts settlement had been filed, subject to deduction of any amount paid by the debtor.

The rights of creditors against co-borrowers or guarantors are not affected, unless such co-borrowers or guarantors are also subject to the same insolvency proceedings. Co-borrowers and guarantors have no rights of recourse against the debtor for any amount paid by them. Rights *in rem* of secured creditors are not affected either.

Consumer Protection

Banks are subject to legislation (most notably Law 2251/1994) that seeks to protect consumers from abusive contractual terms and conditions. This legislation also sets forth rules on the distance marketing and advertisement of consumer financial services, prohibits unfair and misleading commercial practices and includes penalties for violations of such rules and prohibitions. In addition, consumer protection legislation sets out the framework for the establishment, organisation and operation of consumer associations, introduces amicable settlement of disputes as a way of resolution of consumer disputes, regulates issues relating to the representation of consumers and the preconditions for collective actions, as well as the legal consequences of such actions.

At the same time, various consumer protection issues are regulated through regulatory administrative acts, such as that relating to the prohibition of general terms which have been found to be abusive by final court decisions. In 2010, Greece has transposed Directive 2008/48/EC of the European Parliament and of the Council on credit agreements for consumers and repealing the previous Directive 87/102/EEC with a Joint Ministerial Decision which, provides, *inter alia*, the minimum content of pre contractual information, introduces the obligation to assess the creditworthiness of the consumer, determines the minimum content of credit agreements, establishes the “Real Total Annual Interest Rate” and regulates issues regarding credit providers and credit intermediaries and other specific issues.

Finally, in 2013, Greece has also transposed Directive 2011/83/EU pursuant to a Joint Ministerial Decision which amended Law 2251/1994 in many respects. Such decision will enter into force on 13 June 2014 and apply to contracts entered into after that date.

MiFID

EU Council Directives 2004/39 and 2006/73 and Council Regulation 1287/2006 on investment services or the Markets in Financial Instruments Directive (“MiFID”) were introduced in Greece by Law 3606/2007 (the “MiFID Law”) and subsequent decisions of the HCMC as well as Bank of Greece Governor’s Acts. Relevant provisions introduced significant changes with a view to improving the legal framework of investment services: investment services providers must categorise their clients as per the latter’s risk profile, offer increased transparency on their fees and expenses charged to said clients, ensure timely and duly forwarding of clients’ orders concerning transactions under the ATHEX, locate and prevent conflicts of interest and other relevant matters.

Eurobank has formed its policy and procedures so as to comply with the requirements of such regulatory framework.

Hellenic Deposit and Investment Guarantee Fund

The Hellenic Deposit and Investment Guarantee Fund (“HDIGF”) is a private law entity and the universal successor of the former Hellenic Deposit Guarantee Fund. All credit institutions licensed to operate in Greece, with certain exemptions, and the local branches of credit institutions which have been established in non-EU Member States and are not covered by a guarantee scheme equivalent to that of the HDIGF mandatorily participate in the HDIGF. Greek branches of foreign credit institutions established in EU Member States may also become members of the HDIGF at their discretion.

The HDIGF is supervised by the Minister of Finance and managed by a seven-member Board of Directors, of which the Chairman is one of the Deputy Governors of the Bank of Greece, while, of the remaining six members, one comes from the Ministry of Finance, three from the Bank of Greece and two from the Hellenic Bank Association. The Board of Directors, consisting of the members that are proposed as above, is appointed by decision of the Minister of Finance for a five-year term.

The purpose of the HDIGF is (a) to indemnify (i) depositors of the participating credit institutions that become unable to fulfil their obligations towards their depositors (the “Deposits Cover Scheme”), and (ii) investors who are clients of participating credit institutions which may become unable to fulfil their obligations towards their clients in connection with the provision of certain investment services defined in Law 3606/2007 (the “Investments Cover Scheme”), and (b) to provide financing, either in the case of (i) the transfer of a credit institution’s assets to another credit institution or another entity or (ii) a bridge bank established by the Bank of Greece under the reorganisation measures of articles 63D and 63E of Law 3601/2007 (the “Resolution Scheme”).

Under the Deposits Cover Scheme, the maximum coverage limit under Law 3746/2009 for every depositor with deposits not falling in the “exempted deposits” category, taking into account the total amount of his deposits with a credit institution minus any due and payable obligations he has towards

the latter, is €100,000. Under the Investments Cover Scheme, the maximum coverage limit is €30,000 for the total of claims of an investor-client against the credit institution, irrespective of covered investment services, number of accounts, currency and place of provision of the service. Certain deposits and investment services, provided for by articles 11 and 12 of Law 3746/2009, are excluded from the HDIGF coverage.

Pursuant to Law 3746/2009, all credit institutions licensed to operate in Greece must participate in the Resolution Scheme and pay contributions, which are calculated pursuant to a decision of the Minister of Finance. For the year ended 31 December 2013, the total contribution payable by the Bank, including the contribution related to New Proton Bank and New TT HPB, amounted to €35.4 million, which has been recognised in the Bank's expenses in the three months ended 31 December 2013.

The HDIGF is funded from resources including the initial, the ordinary and the extraordinary contributions made by the participating credit institutions, donations, the liquidation of claims and the revenues deriving from the management of its assets.

The Hellenic Republic Bank Support Plan

In November 2008, the Greek Parliament passed Law 3723/2008, which sets out the Hellenic Republic Bank Support Plan. The law was passed with the goal of strengthening the capital and liquidity positions of Greek banks in an effort to safeguard the Greek economy from the adverse effects of the global financial crisis. For more information on the Hellenic Republic Bank Support Plan and the Bank's participation in the plan, see "The Banking Sector and the Economic Crisis in Greece—The Hellenic Republic Bank Support Plan".

The Hellenic Financial Stability Fund (HFSF)

The HFSF was established in 2010 with the objective of helping to maintain the stability of the Greek banking system by providing equity capital to credit institutions. For more information, see "The Banking Sector and the Economic Crisis in Greece—The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme—The Hellenic Financial Stability Fund (HFSF)".

Economic Adjustment Programmes, the PSI and the Buy-Back Programme

The Economic Adjustment Programmes, the PSI and the Buy-Back Programme have had significant effects on the Greek banking sector. For more information, see "The Banking Sector and the Economic Crisis in Greece—The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme".

Restructuring Plan Under EU State Aid

Any restructuring plan prepared by a credit institution which has received capital support from the HFSF under Law 3864/2010 is required to comply with EU rules on state aid and be approved by a decision of the European Commission ensuring that the credit institutions will restore viability at the end of the restructuring period, burden-sharing of shareholders will be achieved and distortion of competition will be limited.

For a discussion of risks related to any failure to comply with the terms of the Bank's revised restructuring plan, please see "Risk Factors".

Monitoring Trustee and the Commitments of the Greek Government on the Basis of the First Review of the Second Economic Adjustment Programme for Greece (December 2012)

In line with EU state aid rules, in January and February 2013, Monitoring Trustees were appointed in all banks under restructuring, including Eurobank, in accordance with the commitments undertaken

by the Hellenic Republic towards the European Commission in December 2012, regarding banks under restructuring, in the Memorandum of Economic and Financial Policies (MEFP), between the Greek Government, the European Union, the International Monetary Fund (IMF) and the European Central Bank (ECB) contained in the First Review of the Second Economic Adjustment Programme for Greece. The MEFP became part of the Memorandum of Understanding between the Greek Government, the European Commission and the Bank of Greece and was approved by Law 4046/2012, as in force.

The Monitoring Trustees are responsible for overseeing the implementation of restructuring plans and the Bank's compliance with applicable state aid rules. They are respected international auditing or consulting firms endorsed by the European Commission on the basis of their competence, their independence from the banks and the absence of any potential conflict of interest. In each credit institution under restructuring, the Monitoring Trustees work under the direction of the European Commission, within the terms of reference agreed with the EC/ECB/IMF staff. They submit quarterly reports on governance and operations, as well as ad hoc reports as needed. They liaise closely with the EC/ECB observers at the HFSF and share their report with the HFSF. In line with the EU state aid rules, the Monitoring Trustees are responsible for overseeing the implementation of restructuring plans. This includes, *inter alia*, verifying proper governance and the use of commercial basis criteria in key policy decisions even in the absence of an approved restructuring plan. Finally, the Monitoring Trustees closely follow the banks' operations and have permanent access to Board meeting minutes, and are observers at the executive committees and other critical committees, including risk management and internal audit functions. Grant Thornton S.A. has been appointed as the Bank's Monitoring Trustee.

In addition to the appointment of Monitoring Trustees, the commitments undertaken by the Greek Government refer to the following:

- (i) the assurance of an effective and sufficient system of corporate governance pursuant to the corporate law, the supervision rules of the Bank of Greece and the Relationship Framework Agreement executed between the Bank and the HFSF;
- (ii) the implementation of a credit policy which ensures the equal treatment of borrowers, including persons affiliated with the Bank (connected borrowers), supervision of implementation of the credit policy by means of appropriate instruments for risk monitoring, incorporation in the credit policy of rules for the pricing policy of loans as well as rules for restructuring or rescheduling of loans;
- (iii) implementation of pricing policy of deposits which enhances the viability and profitability of the Bank;
- (iv) implementation of a balanced policy for decrease of the operational costs for the purpose of enhancing the long term profitability without adverse effect on the Bank's operation and the level of services provided to clients;
- (v) alignment of the employees remuneration policy with the policy of costs management and adoption of best practices pursuant to international standards for management of risks;
- (vi) restriction on payment of dividends or coupon on own funds instruments, unless there is a legal obligation for payment (of dividend or coupon); on the Bank exercising a call option for the aforementioned shares or titles, if the exercise of such right will result in a decrease of the Bank's total regulatory capital; any liability management exercises undertaken by the Bank on which the Directorate-General for Competition of the EU consents, are excluded;
- (vii) restriction on acquiring any stake in any undertaking that has the form of a company or package of assets which form a business, unless the prior approval of the European Commission has been granted subject to certain conditions and exemptions, or for

acquisitions that take place in the ordinary course of the banking business in the management of existing claims towards ailing firms.

The Bank complies with these commitments and the Monitoring Trustee oversees the Bank's compliance therewith and submits relevant reports to the Troika, the HFSF and the Greek government on a quarterly basis. According to the last report submitted by the Monitoring Trustee, as notified to us, there are no substantial deviations from these commitments. These commitments will be part of its overall commitments that the Bank will undertake as part of the revised restructuring plan approved by the European Commission on 29 April 2014.

European Developments

Capital Requirements – CRD IV

In December 2010, the Basel Committee on Banking Supervision issued new capital adequacy rules, known as "Basel III". On 20 July 2011, the European Commission published a draft new directive and a draft new regulation known as the CRD IV package, on the implementation of Basel III in the EU. On 26 June 2013, Directive 2013/36/EU of the European Parliament and of the Council (CRD IV) amending Directive 2002/87 and repealing Directives 2006/48/EC and 2006/49/EC and on 27 June 2013, Regulation EU 575/2013 of the European Parliament and of the Council on "prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012" ("CRR") were published in the Official Journal of the EU. The provisions of Directive No. 2013/36 and the Regulation No. 575/2013 are scheduled to take effect gradually from 1 January 2014.

Directive 2013/36 EU of the European Parliament and of the Council ("CRD IV") is expected to be transposed into Greek law once the Greek Parliament votes on a draft bill recently submitted for voting entitled "Access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, transposition of Directive 2013/36/EU, abolishment of Law 3601/2007 and other provisions".

According to these new provisions (with gradual implementation until 2019):

- the minimum Common Equity Tier 1 ratio will gradually increase to 4.5 per cent. from 1 January 2015;
- the minimum Tier I ratio will gradually increase to 6 per cent. in 2015; and
- banks will be required to gradually create a capital conservation buffer of 2.5 per cent. from 1 January 2019 (0.625 per cent. on 1 January 2016, 1.25 per cent. on 1 January 2017 and 1.875 per cent. on 1 January 2018) beyond the existing minimum capital. The capital conservation buffer is a capital buffer of 2.5 per cent. of total risk exposures of a bank that needs to be met with an additional amount of Common Equity Tier 1 capital.

As a result, the minimum ratios which must be met, including the capital conservation buffer, and which shall apply from 1 January 2019 are:

- (a) the minimum Common Equity capital ratio of 7 per cent.; and
- (b) the total capital adequacy ratio of 10.5 per cent..

Additional capital buffers that CRD IV introduces are the following:

- (a) Countercyclical buffer of up to 2.5 per cent.. The purpose of this buffer is to counteract the effects of the economic cycle on banks' lending activity, thus making the supply of credit less volatile and possibly even reduce the probability of credit bubbles or crunches.
- (b) Global systemic institution buffer. CRD IV includes a mandatory systemic risk buffer of Common Equity Tier 1 capital for banks that are identified by the relevant authority as globally systemically important.
- (c) Other systemically important institutions buffer.

The EU Framework regarding the Single Supervisory Mechanism and the Single Resolution Mechanism

Pursuant to the proposal of the EU Commission dated 12 September 2012 as regards a Single Supervisory Mechanism ("SSM"), Council Regulation No 1024/2013 of 15 October 2013 was issued, which conferred specific tasks on the European Central Bank ("ECB") concerning policies relating to the prudential supervision of credit institutions. Furthermore, Regulation No 1022/2013 of the European Parliament and of the Council of 22 October 2013 was also issued, amending Regulation No 1093/2010 establishing the European Banking Authority ("EBA") as regards the conferral of specific tasks on the European Central Bank pursuant to Council Regulation No 1024/2013.

On 10 July 2013 the Commission proposed the Single Resolution Mechanism (the "SRM") for the Banking Union which complements the SSM. The SRM is set to centralise key competences and resources for managing the failure of any bank in the Euro Area and in other Member States participating in the Banking Union.

According to the European Commission, the SSM is expected to be operational in late 2014, at which time the ECB shall assume in full direct supervisory responsibilities over banks in the euro area and in other Member States which decide to join the Banking Union. According to the ECB, the SRM should be established by that time.

The proposed EU framework for the recovery and resolution of credit institutions and investment firms

On 6 June 2012 the European Commission published a legislative proposal for a Directive of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (COM(2012) 280 final – 2012/0150(COD)), also referred to as the "Directive on Bank Recovery and Resolution" (the "BRRD"). This framework will equip the competent national authorities with common and effective tools and powers to tackle bank crises preemptively, safeguarding financial stability and minimising taxpayer exposure to losses in insolvency. The framework is meant to apply in relation to banks of all sizes and consists of three pillars: preparatory and preventative measures, early intervention, and resolution tools and powers.

The range of powers available to the relevant authorities consist of three elements: (i) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a bank's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) if insolvency of an institution presents a concern as regards the general public interest, a clear means to reorganise or wind down the bank in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses in insolvency (resolution).

The proposed legislation establishes common parameter for triggering the application of resolution tools. The conditions that have to be met before the competent authorities take a resolution action in relation to a credit institution are: (a) the competent authority determines that the institution is failing or likely to fail; (b) there is no reasonable prospect that any alternative private sector or supervisory action taken would prevent the failure of the institution within reasonable timeframe; and (c) a resolution action is necessary in the public interest. When the trigger conditions for resolution are satisfied, the proposal sets out a minimum set of resolution tools that resolution authorities shall have the power to apply singly or in conjunction. These tools are the following:

- (a) Sale of business; Resolution authorities may effect a sale of the institution or the whole or part of its business on commercial terms, without requiring the consent of the shareholders or complying with other procedural requirements.
- (b) Bridge Institution; Resolution authorities may transfer all or part of the business of an institution to a publicly controlled entity. The operations of a bridge institution are temporary, the aim being to sell the business to the private sector when market conditions are appropriate.
- (c) Asset Separation; Resolution authorities may transfer impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time.
- (d) Bail-In; Resolution authorities may write down the claims of unsecured creditors of a failing institution and convert debt claims to equity.

According to the transposition provisions of the proposed BRRD, Member States are to adopt and publish by 31 December 2014 at the latest the laws and regulations necessary to comply with it. The Member States shall apply these laws and regulations from 1 January 2015. However, the Member States shall apply the provisions adopted in order to implement the Bail-In tool from 1 January 2018 at the latest.

The proposed BRRD relies on a network of national authorities and resolution funds to resolve banks. Nevertheless, according to the European Commission, such an approach is not sufficient for those member States which share the supervision of credit institutions within the SSM which is expected to be operational one year after the entry into force of the Council Regulation 1024/2013. The European Council has recognised that in the Banking Union, bank supervision and resolution need to be exercised by the same level of authority, thus making the need for the establishment of an SRM with a central decision-making body and a Single Bank Resolution Fund (the “SRF”) obvious.

In this context, the European Commission issued a proposal for a Regulation of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the SRM and the SRF (2013/0253 (COD)) (the “SRM Regulation”).

On 18 December 2013, the European Council set out its position on the establishment of a single resolution board (the “SRB”) and a single fund for the SRF and called on the presidency of the European Union to start negotiations with the European Parliament with the aim of agreeing the regulation on the SRM at first reading before the end of the Parliament’s current legislature (May 2014). According to the European Commission, the key elements of the trilogue agreement reached on 20 March 2014 are the following:

The SRM Regulation builds on the rulebook on bank resolution set out in the BRRD and establishes the following:

- The SRM would apply to all banks supervised by the SSM. The SRB would prepare resolution plans for and directly resolve all banks directly supervised by the ECB and for cross-border banks. National resolution authorities would prepare resolution plans and

resolve banks which only operate nationally and are not subject to full ECB direct supervision, provided that this would not involve any use of the SRF. Member States could opt to have the SRB directly responsible for all their banks. The SRB would decide in any case for all banks, including those that operate nationally and are not subject to full ECB direct supervision, whether resolution will involve the use of the SRF.

- Centralised decision-making would be built around a strong SRB and would involve permanent members as well as the European Commission, the European Council, the ECB and the national resolution authorities. In most cases, the ECB would notify that a bank is failing to the SRB, the European Commission, and the relevant national resolution authorities. The SRB would then assess whether there is a systemic threat and any private sector solution. If no private sector solution exists, it would adopt a resolution scheme including the relevant resolution tools and any use of the SRF. The European Commission, is responsible for assessing the discretionary aspects of the SRB's decision and endorsing or objecting to the resolution scheme. The European Commission's decision is subject to approval or objection by the European Council only when the amount of resources drawn from the SRF is modified or if there is no public interest in resolving the bank. If the European Council or the European Commission objects to the resolution scheme, the SRB will need to amend the resolution scheme. The resolution scheme will be implemented by the national resolution authorities. If resolution entails state aid, the European Commission would need to approve the aid prior to the adoption of the resolution scheme by the SRB.
- In its plenary session, the SRB would take all decisions of a general nature and any individual resolution decisions involving the use of the SRF in excess of €5 billion. In its executive session, the SRB would take decisions in respect of individual entities or banking groups where the use of the SRF remains below this threshold. The composition of the executive session of the SRB would include the chair, the executive director and three other permanent members, with the European Commission and the ECB sitting as permanent observers. In addition, to ensure that the interests of all Member States on which the resolution had an impact were considered, Member States that could potentially be affected by the resolution based on the institution being resolved would also participate in the session. None of the participants in the deliberation would have a veto.
- All the banks in the participating Member States would contribute to the SRF. The SRF has a target level of €55 billion and can borrow from the markets if decided by the SRB in its plenary session. The SRF would be owned and administrated by the SRB. The SRF would reach a target level of at least 1 per cent. of covered deposits over an eight-year period. During this transitional period, the SRF, established by the SRM Regulation, would comprise national compartments corresponding to each participating Member State. The resources accumulated in those compartments would be progressively mutualised over a period of eight years, starting with 40 per cent. of these resources in the first year. The establishment of the SRF and its national compartments and decisions as to their use would be regulated by the SRM Regulation, while the transfer of national funds into the SRF and the activation of the mutualisation of the national compartments would be provided for in an inter-governmental agreement established among the participating Member States in the SRM.

In order to become law, the European Commission's proposal needs to be adopted jointly by the European Parliament and by the EU Member States in the European Council (which votes by qualified majority). According to the European Commission, it is expected that the European Parliament will vote on this legislation in a plenary session in April and that the European Council will subsequently formally adopt it.

Finally, according to the European Commission, the SRM would enter into force on 1 January 2015, whereas bail-in and resolution functions would apply from 1 January 2016, as specified under the BRRD.

FORM OF THE DEED OF GUARANTEE

The following is the form of the Deed of Guarantee of the Guarantor:

THIS DEED OF GUARANTEE is made on 27 May 2014 in London, England

BY

- (1) **EUROBANK ERGASIAS S.A.** (the “Guarantor”)

IN FAVOUR OF

- (2) **THE HOLDERS** for the time being and from time to time of the Instruments referred to below (each a “Holder”); and
- (3) **THE ACCOUNTHOLDERS** (as defined in the Deed of Covenant described below) (together with the Holders, the “Beneficiaries”).

WHEREAS

- (A) ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited (each an “Issuer” and together the “Issuers”, and references in this Deed of Guarantee to the “relevant Issuer” shall, in relation to any Instrument, be references to the Issuer of such Instrument) have established a Programme (the “Programme”) for the issuance of instruments (the “Instruments”) in connection with which they have entered into an amended and restated dealership agreement dated 27 May 2014 (the “Dealership Agreement”), an amended and restated issue and paying agency agreement dated 27 May 2014 (the “Agency Agreement”) and in the case of ERB Hellas PLC has executed a deed of covenant dated 27 May 2014 and in the case of ERB Hellas (Cayman Islands) Limited has executed a deed of covenant dated 27 May 2014 (each a “Deed of Covenant” and references in this Deed of Guarantee to “the Deed of Covenant” are, in relation to the relevant Issuer, to the Deed of Covenant executed by such Issuer).
- (B) Instruments may be issued on a listed or unlisted basis. The Issuers have made an application for PD Instruments issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be admitted to the Official List of the Luxembourg Stock Exchange.
- (C) In connection with such application, the Issuers have prepared a prospectus in connection with the Programme (the “Prospectus”, which expression includes any supplements to the Prospectus and any further prospectus prepared in connection with the listing of the Instruments on any other stock exchange on which any Instruments may from time to time be listed together with any information incorporated therein by reference).
- (D) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the relevant Issuer to Holders in respect of the Instruments issued by such Issuer and to Accountholders in respect of the Deed of Covenant.

NOW THIS DEED OF GUARANTEE WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

All terms and expressions which have defined meanings in the Prospectus, the Dealership Agreement, the Agency Agreement or a Deed of Covenant shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

1.2 Clauses

Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

1.3 Other agreements

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Prospectus, the Dealership Agreement, the Agency Agreement and a Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time. In addition, in the context of any particular Tranche of Instruments, each reference in this Deed of Guarantee to the Prospectus shall be construed as a reference to the Prospectus as amended by the applicable Final Terms or applicable Pricing Supplement, as the case may be.

1.4 Statutes

Any reference in this Deed of Guarantee to a statute, to any provision thereof or to any statutory instrument, order or regulation made thereunder shall be construed as a reference to such statute, provision, statutory instrument, order or regulation as the same may have been, or may from time to time be, amended or re-enacted.

1.5 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

1.6 Benefit of Deed of Guarantee

Any Instruments issued under the Programme before the date of this Deed of Guarantee shall not have the benefit of this Deed of Guarantee but shall have the benefit of any preceding guarantee relating to the Programme as provided therein. Any Instruments issued under the Programme on or after the date of this Deed of Guarantee unless otherwise expressly provided in the applicable Final Terms or applicable Pricing Supplement, as the case may be, relating to such Instruments shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

2. GUARANTEE AND INDEMNITY

2.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees:

- 2.1.1 *The Instruments*: to each Holder the due and punctual payment of all sums from time to time payable by the relevant Issuer in respect of the relevant Instrument as and when the same become due and payable and accordingly undertakes to pay to such Holder, forthwith upon the demand of such Holder and in the manner and currency prescribed by the Conditions for payments by such Issuer in respect of such Instrument, any and every sum or sums which such Issuer is at any time liable to pay in respect of such Instrument and which such Issuer has failed to pay; and
- 2.1.2 *The Direct Rights*: to each Accountholder the due and punctual payment of all sums from time to time payable by the relevant Issuer to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Conditions for payments by such Issuer in respect of the Instruments, any and every sum or sums which such Issuer is at any time liable to pay to such Accountholder in respect of the Instruments and which such Issuer has failed to pay.

2.2 **Indemnity**

The Guarantor irrevocably undertakes to each Beneficiary that, if any sum referred to in Clause 2.1 is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Instrument, either Deed of Covenant or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law), then (notwithstanding that the same may have been known to such Beneficiary) the Guarantor will, forthwith upon demand by such Beneficiary, pay such sum by way of a full indemnity in the manner and currency prescribed by the Conditions. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action if any sum is not recoverable under Clause 2.1.

2.3 **Place of Performance**

Notwithstanding the foregoing provisions of Clauses 2.1 and 2.2 hereof, it is specifically agreed that the place of performance of any and all obligations of the Guarantor under this Deed of Guarantee shall be London, England and consequently any and all payments of the Guarantor under this Deed of Guarantee shall be made out of or to the credit of bank accounts maintained with banks legally operating and situated in London, England.

3. **COMPLIANCE WITH THE CONDITIONS**

The Guarantor covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions in relation to those Instruments where such Beneficiary is a Holder thereof or an Accountholder in respect thereof.

4. **PRESERVATION OF RIGHTS**

4.1 **Principal obligor**

The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

4.2 **Continuing obligations**

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the relevant Issuer's obligations under or in respect of any Instrument or the Deed of Covenant and shall continue in full force and effect for so long as the Programme remains in effect and thereafter until all sums due from such Issuer in respect of the Instruments and under the Deed of Covenant have been paid, and all other actual or contingent obligations of such Issuer thereunder or in respect thereof have been satisfied, in full.

4.3 **Obligations not discharged**

Neither the obligations of the Guarantor herein contained nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

- 4.3.1 *Winding-up*: the winding-up, dissolution, administration or re-organisation of the relevant Issuer or any change in its status, function, control or ownership;
- 4.3.2 *Illegality*: any of the obligations of the relevant Issuer under or in respect of any Instrument or the Deed of Covenant being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 4.3.3 *Indulgence*: time or other indulgence being granted or agreed to be granted to the relevant Issuer in respect of any of its obligations under or in respect of any Instrument or the Deed of Covenant;
- 4.3.4 *Amendment*: any amendment to, or any variation, waiver or release of, any obligation of the relevant Issuer under or in respect of any Instrument or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof; or
- 4.3.5 *Analogous events*: any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.

4.4 **Settlement conditional**

Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by the relevant Issuer or any other person on the relevant Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

4.5 **Exercise of Rights**

No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

- 4.5.1 *Demand*: to make any demand of the relevant Issuer, save for the presentation of the relevant Instrument;

4.5.2 *Take action*: to take any action or obtain judgment in any court against the relevant Issuer; or

4.5.3 *Claim or proof*: to make or file any claim or proof in a winding-up or dissolution of the relevant Issuer,

and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of any Instrument.

4.6 **Deferral of Guarantor's rights**

The Guarantor agrees that, so long as any sums are or may be owed by the relevant Issuer in respect of any Instrument or under the Deed of Covenant or the relevant Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any right which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

4.6.1 *Indemnity*: to be indemnified by the relevant Issuer;

4.6.2 *Contribution*: to claim any contribution from any other guarantor of the relevant Issuer's obligations under or in respect of any Instrument or the Deed of Covenant; or

4.6.3 *Subrogation*: to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Beneficiary against the relevant Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee or any security enjoyed in connection with any Instrument or the Deed of Covenant by any Beneficiary.

4.7 **Unsubordinated Obligations**

The Guarantor irrevocably undertakes that its obligations hereunder in respect of Instruments specified in the applicable Final Terms or applicable Pricing Supplement, as the case may be, as Unsubordinated Instruments will constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject to Condition 5) and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by mandatory provisions of law.

4.8 **Subordinated Obligations**

Unless otherwise expressly provided in the applicable Final Terms or applicable Pricing Supplement, as the case may be, relating to a Tranche of Instruments, the Guarantor irrevocably undertakes that its obligations hereunder in respect of Instruments specified in the applicable Final Terms or applicable Pricing Supplement, as the case may be, as Subordinated Instruments will constitute direct, general, unconditional, subordinated and unsecured obligations of the Guarantor which will be subordinated to the claims of Senior Creditors of the Guarantor in that payments hereunder (whether in the winding-up of the Guarantor or otherwise) will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable hereunder (whether in the winding-up of the Guarantor or otherwise) except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Instruments and still be able to pay its outstanding debts to Senior Creditors of the Guarantor, which are due and payable.

In case of dissolution, liquidation and/or bankruptcy of the Guarantor the Holders will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full and the Holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor in such circumstances.

5. DEPOSIT OF DEED OF GUARANTEE

This Deed of Guarantee shall be deposited with and held by the Issue and Paying Agent for so long as the Programme remains in effect and thereafter until the date which is two years after all the obligations of each Issuer under or in respect of Instruments issued by it (including, without limitation, such Issuer's obligations under the Deed of Covenant) have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

6. STAMP DUTIES

The Guarantor shall pay all stamp, registration and other similar taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall, to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, reasonable legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7. BENEFIT OF DEED OF GUARANTEE

7.1 Deed poll

This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

7.2 Benefit

This Deed of Guarantee shall ensure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

7.3 Assignment

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

8. PARTIAL INVALIDITY

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9. NOTICES

9.1 Address for notices

All notices, demands and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

EUROBANK ERGASIAS S.A.

Address: 8 Othonos Street
Athens 105 57

Fax: +30 210 3337 190

Attention: Global Markets Division

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the relevant Holders in the manner prescribed for the giving of notices in connection with the relevant Instruments.

9.2 Effectiveness

Every notice, demand or other communication sent in accordance with Clause 9.1 (*Address for notices*) shall be effective upon receipt by the Guarantor *provided that* any such notice, demand or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

10. LAW AND JURISDICTION

10.1 Governing law

This Deed of Guarantee (other than Clause 4.8), and any non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English law. Clause 4.8 shall be governed by, and construed in accordance with, Greek law.

10.2 Jurisdiction

The Guarantor agrees for the benefit of the Beneficiaries that the High Courts of Justice of England in London shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which arises out of or in connection with this Deed of Guarantee (including a proceeding or a dispute relating to any non-contractual obligations arising out of or in connection with this Deed of Guarantee) (respectively, "Proceedings" and "Disputes") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

10.3 Appropriate forum

The Guarantor irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

10.4 Service of process

The Guarantor agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to it at ERB Hellas PLC, 1st Floor, 25 Berkeley Square, London W1J 6HN. If the appointment of the person mentioned in this Clause 10.4 ceases to be effective, the Guarantor shall forthwith appoint a further person in England to accept service of process on its behalf in England and notify the name and address of such person to

the Issue and Paying Agent and, failing such appointment within fifteen days, any Beneficiary shall be entitled to appoint such a person by written notice to the Guarantor. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law.

10.5 Non-exclusivity

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Beneficiaries to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

11. MODIFICATION

The Agency Agreement contains provisions for convening meetings of Holders to consider matters relating to Instruments, including the modification of any provision of this Deed of Guarantee. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

IN WITNESS whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed)
by **EUROBANK ERGASIAS S.A.**)

acting by its duly authorised attorney)

[name]

in the presence of:

Signature of witness:

Name of witness:

Address of witness:

Occupation of witness:

TAXATION

HELLENIC REPUBLIC

The following is a summary of certain material Greek tax consequences relating to the Instruments and to the Deed of Guarantee. This discussion does not purport to deal with all the tax consequences applicable to all possible categories of investors, some of which may be subject to special rules. Further, it is not intended as tax advice to any particular investor and it does not purport to be a comprehensive description or analysis of all of the potential tax considerations relating to the Instruments and to the Deed of Guarantee. The below summary is based upon Greek tax law as currently in force, as well as practice and interpretation available, at the date hereof, which is subject to change at any time, possibly with retroactive effect. The Greek taxation framework was significantly amended and reformed by virtue of Greek Law 4172/2013 as amended and in force (the "Greek Income Tax Code"). All regulations issued under the previous income tax code were repealed, thus past administrative practice may not be followed going forward. As a result, no precedent on how the Tax Authorities will treat the tax events described in the majority of the following analysis exists. For this reason, the discussion below on Greek withholding tax is qualified in its entirety. Holders of Instruments who are in doubt as to their personal tax position should consult their professional advisers.

Also, the discussion below is limited to the payment of interest under Instruments the terms of which provide that the redemption amount may not be less than the principal amount thereof upon their issue and does not address payment of interest under Instruments (including, for the avoidance of doubt, Reference Item Linked Instruments such as Equity Linked Instruments and/or Index Linked Instruments as specified in the applicable Final Terms) in relation to which the Maturity Redemption Amount payable upon redemption may be less than the nominal amount invested in such Instruments.

Greek withholding tax

Payments of interest under the Instruments

1. In relation to payments made to holders of Instruments (the "Holder") issued by ERB Hellas PLC or by ERB Hellas (Cayman Islands) Limited under the Instruments which represent accrued interest on the Instruments:
 - (i) a withholding tax of 15 per cent. will be imposed on interest payments made to holders of Instruments who are tax residents in Greece and on Holders who maintain, for tax purposes, a permanent establishment in Greece. The withholding will be applied on the date of payment of the interest under the Instruments or on any date on which a Holder sells any Instruments with reference to the interest accrued during the relevant Interest Period up to the time of such sale. In any case, the tax basis for withholding is the amount of interest accrued from the date the Holder acquired the Instruments to the following Interest Payment Date or from the date the Holder acquired the Instruments to the date of sale thereof if no Interest Payment Date has occurred, in each case, determined with reference to the nominal value of the Instrument sold. Such withholding will be imposed on payments by credit institutions registered or established in Greece, qualifying as paying agents in the sense of par. 2(a) of article 4 of Law 3312/2005 ((Gov. Gazette No A' 35/2005) implementing into Greek Law Directive 2003/48/EC on taxation of savings income in the form of interest payments – the "Implementing Law"), upon collection of interest on behalf of the Greek tax residents. Such withholding exhausts the tax liability of Greek tax residents who are individuals.

And

- (ii) no withholding tax on account of Greek tax laws will be imposed on holders who are not Greek tax residents and do not maintain, for tax purposes, a permanent establishment in Greece.

2. Payments made as from 1 January 2014 to Holders of Instruments issued by the Bank under the Instruments are subject to tax as follows, depending on the circumstances of the Holder:

- (i) a withholding tax of 15 per cent. (Article 64(1) item (b) of the Greek Income Tax Code), will be imposed on interest payments made to Holders of Instruments who are tax residents in Greece and on Holders who maintain for tax purposes, a permanent establishment in Greece. The withholding is calculated on the total interest amount of the coupon and is imposed on the coupon maturity date. Such withholding exhausts the tax liability of the Greek tax residents who are individuals.

More particularly, the withholding will be applied on the date of payment of the interest under the Instruments or on any date on which a Holder sells any Instruments with reference to the interest accrued during the relevant Interest Period up to the time of such sale.

And

- (ii) 15 per cent. withholding tax on account of Greek tax laws (Article 64(1) item (b) and 45 of the Greek Income Tax Code) will be imposed on Holders who are not Greek tax residents and do not maintain, for tax purposes, a permanent establishment in Greece, subject to the provisions of the applicable double taxation treaty signed between Greece and the state of origin (if any).

The same withholding tax will be imposed on Holders who are individuals and are not residents of Greece nor of any country among those which adhered to the EU Savings Directive.

However, under an alternative interpretation, from the combination of Articles 45, 47 and 5 par 1 items (e) and (ib) of the Greek Income Tax Code it could be argued that no withholding tax would be imposed on legal entities without permanent establishment in Greece. The above mentioned payments under the Instruments (interest) are characterized as capital income and declared in the annual income tax return (Article 36(1), 67(1) of the Greek Income Tax Code). The tax withheld is declared in the annual income tax return of such Holder (Article 67(2) of the Greek Income Tax Code). If the Holder of the Instrument is an individual the interest is not subject to further tax (Article 37(4) of the Greek Income Tax Code). Additionally, if such a Holder (that is a foreign individual or foreign legal entity) of an Instrument is a resident of a country with which Greece has executed a bilateral treaty for the avoidance of double taxation then the provisions of such bilateral treaty shall prevail over the provisions of internal Greek tax laws, provided that such a Holder of an Instrument presents an appropriate tax residence certificate.

If the Holder is a legal person or legal entity, tax resident of Greece, a Greek permanent establishment of a legal person or legal entity, or tax resident of any other country, withholding is imposed on the interest at a rate of 15 per cent. (Article 64(1)(b), 61, 62(1)(b) of the Greek Income Tax Code). The interest is taxed as business profits (Article 47(2) of the Greek Income Tax Code) and is declared in the annual income tax return (Article 58(3) of the Greek Income Tax Code). The tax withheld is credited against the Holder's annual income tax due for this income (Article 58(3), 68(3) of the Greek Income Tax Code) and in case the

amount withheld is larger than the amount due under the annual income tax return then the difference amounts to a tax credit to the Holder (Article 68(3) of the Greek Income Tax Code).

If the Holder is an individual or legal person or legal entity, tax resident of a country with which Greece has not entered into a double taxation treaty and the Instruments are not effectively connected with a Greek permanent establishment (Article 10(5) OECD Model), then tax is imposed on the interest at a rate of 15 per cent. (Article 40(1), 64(1)(b) of the Greek Income Tax Code), withheld by the Bank acting in its capacity as Issuer (Article 61, 62(1)(b) of the Greek Income Tax Code). Income thus received by the Holder may be subject to tax in the Holder's country of tax residence.

If the Holder is an individual or legal person or legal entity, tax resident of a country with which Greece has entered into a double taxation treaty and Directive 2011/96 is not applicable and the Instruments are not effectively connected with a Greek permanent establishment, then tax is imposed on the interest at an effective rate limited to the rate specified in the applicable double taxation treaty, subject to such Holder claiming such right under the double taxation treaty and producing a tax residence certificate. Income thus received by the Holder may be subject to tax in the Holder's country of tax residence.

If the Holder is a UCITS (ΟΣΕΚΑ) with establishment either within Greece or within the EU or EEA, or Greek Investment Company (AEEEX), or Greek REIC (AEEAΠ) then no withholding tax is imposed on the interest (Article 46(c) ITC for ΟΣΕΚΑ and AEEEX, Article 31(2) law 2778/1999 for AEEAΠ).

Capital gains realised from the sale of the Instruments

3. In relation to capital gains realised by Holders from the sale of Instruments issued by the Bank:

Capital gains resulting from the sale of the Instruments will be added to the business income of the seller (if either a Greek legal person or a Greek legal entity) and will be taxed according to the corporate income tax rate of 26 per cent. Foreign legal persons or foreign legal entities which have no permanent establishment in Greece and are tax residents in tax treaty countries, are exempt from Greek corporate income tax, whereas foreign legal persons or foreign legal entities which have no permanent establishment in Greece and are tax residents in countries with which Greece has no treaty for the avoidance of double taxation, are subject to tax on the capital gains realised from the sale of Instruments issued by the Bank. However, under an alternative interpretation, from the combination of Articles 45, 47 and 5 par 1 items (e) of the Greek Income Tax Code it could be argued that no capital gains tax would be imposed on legal entities without permanent establishment in Greece.

If the capital gains beneficiary is a Greek individual and such capital gains do not constitute income from business activity, such person will be subject to income tax at the rate of 15 per cent. If capital gains constitute income from business activity, then the beneficiary will be taxed at a tax rate of 26 per cent. for income up to €50,000 and 33 per cent. for income above €50,000. If losses result from the sale of the Instruments, such losses can be carried forward pursuant to the stipulation set under the Greek Tax Income Code and be offset against future capital gains resulting from sale of the Instruments (applicable only to individuals). If the capital gains beneficiary is an individual who is tax resident in a jurisdiction with which Greece has entered into a treaty for the avoidance of double taxation, such beneficiary will be exempted from Greek income tax in respect of such capital gains, provided that the beneficiary submits to the tax authorities the documents evidencing the beneficiary's tax residence.

For the calculation of the capital gains tax, the difference between the actual sale price and the price paid for the acquisition of the Instruments by the seller is taken into account.

In relation to capital gains realised by Holders from the sale of Instruments issued by the Bank it is noted that it is unclear whether the newly passed and recently amended Greek Income Tax Code abolishes the provisions of Article 14 of law 3156/2003 which have exempted the transfer of Greek corporate bonds issued under the said regime from any direct or indirect tax. While explanatory guidelines are awaited in reference to this newly introduced tax law provision, it is highly likely that capital gains from the sale of Instruments issued by the Bank, pursuant to the ministerial circular No. 1102/2013 (ΠΟΛ 1102/2013), should not be exempt from the provisions of the newly introduced Greek Income Tax Code.

4. In relation to capital gains realised by Holders from the sale of Instruments issued by ERB Hellas PLC or by ERB Hellas (Cayman Islands) Limited:

Pursuant to Articles 42 par. 1(c) and 47 par. 1 of the Greek Income Tax Code, Greek individuals and legal entities/legal corporations with a permanent establishment in Greece are subject to taxation (15 per cent. and 26 per cent. respectively as set out under section 3 above) on capital gains derived from the sale of foreign corporate bonds (such as the Instruments issued by ERB Hellas PLC and/or ERB Hellas (Cayman Islands) Limited).

If the Holder is a UCITS (ΟΣΕΚΑ) with establishment either within Greece or within the EU or EEA, or Greek Investment Company (AEEEX), or Greek REIC (ΑΕΕΑΠ) then no tax is imposed on the capital gains realised from the sale of Instruments (Article 46(c) ITC for ΟΣΕΚΑ and AEEEX, Article 31(2) law 2778/1999 for ΑΕΕΑΠ).

Payments of interest under the Guarantee

In relation to payments made to Holders of Instruments by the Guarantor under the Deed of Guarantee which represent accrued interest on the Instruments:

- (i) a withholding tax of 15 per cent., which exhausts the tax liability of the Holder, will be imposed on the payment of interest to Holders who are individuals and tax residents in Greece and on Holders who are individuals and maintain, for tax purposes, a permanent establishment in Greece.

a withholding tax of 15 per cent., which does not exhaust the tax liability of the Holder, will be imposed on the payment of interest to Holders who are legal entities and tax residents in Greece and on Holders who maintain, for tax purposes, a permanent establishment in Greece.

The same withholding tax will be imposed on Holders (that are a foreign individual or foreign legal entity/legal corporation) who are not residents of Greece nor of any country among those which adhered to the EU Savings Directive.

And

- (ii) a withholding tax of 15 per cent., which exhausts the tax liability of a Holder of Instruments, will be imposed on the payment of interest to Holders of Instruments who are companies or legal entities (other than “residual entities” of art. 4 par. 2 of the Implementing Law), and who are not resident in Greece and do not maintain for tax purposes a permanent establishment in Greece. However, from the combination of Articles 45, 47 and 5 par. 1 item € of the Greek Income Tax Code it could be argued that no withholding tax would be imposed on legal entities without permanent establishment in Greece.

Additionally, if such a Holder (that is a foreign individual or foreign legal entity) of an Instrument is a resident of a country with which Greece has executed a bilateral treaty for the avoidance of double taxation then the provisions of such bilateral treaty shall prevail over the provisions of internal Greek tax laws, provided that such a Holder presents an appropriate tax residence certificate.

Implementation of EU Savings Directive

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the “EU Savings Directive”).

The ultimate aim of the EU Savings Directive is to enable savings income in the form of interest payments made in one Member State to beneficial owners who are individuals resident for tax purposes in another Member State to be made subject to effective taxation in accordance with the laws of the latter Member State.

The achievement of such aim is attempted through the establishment of an automatic system of exchange of information concerning interest payments between Member States.

Greece implemented the EU Savings Directive by virtue of the Implementing Law.

The purpose of this section is to provide a summary of the mechanics introduced by the Implementing Law for the purpose of such implementation. Capitalised terms used in this section, “Taxation – Hellenic Republic”, and not defined in the Prospectus have the meaning given to them in the EU Savings Directive.

Under the Implementing Law, Greek Paying Agents paying interest, payable under the Instruments or the Deed of Guarantee to, or securing the payment of interest for the benefit of, any individual Holder (natural person), who is not a resident of Greece for tax purposes, shall be required to report to the Greek Competent Authority, being the Directorate of International Financial Affairs of the Ministry of Economy and Finance, certain information, consisting of, at least, the identity and residence of such individual Holder of Instrument(s), the name and address of the Paying Agent, the account number of such individual Holder of Instrument(s) and information concerning such interest payment.

The Directorate of International Financial Affairs of the Ministry of Economy and Finance shall in turn communicate the above information to the respective Competent Authority of the Member State in which such Holder of Instruments retains its residence for tax purposes.

A reporting process is established in certain cases also where the Paying Agent is paying interest, payable under the Instruments or the Deed of Guarantee, to or securing the payment of interest for the benefit of certain categories of EU-based entities (other than Greek), as defined in the Implementing Law, which interest is secured or collected for the benefit of the ultimate individual Holder of Instrument(s). Also, specific obligations have been imposed on Greek entities, collecting or receiving interest for the benefit of the ultimate individual Holder of Instrument(s), by a Ministerial Decision of the Ministry of Economy and Finance.

The enactment of the Implementing Law commenced on 1 July 2005.

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of

the proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

UNITED KINGDOM

The following is a summary of current United Kingdom tax law and published practice of HM Revenue & Customs (“HMRC”) which may be subject to change, sometimes with retrospective effect, and relates only to the withholding tax treatment of payments of principal and interest in respect of the Instruments. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Instruments. The comments are made on the assumption that any interest on Instruments issued by the Bank will not have a United Kingdom source (“UK Source”). The comments relate only to the position of persons who are absolute beneficial owners of the Instruments. Prospective Holders should be aware that the particular terms of issue of any Series of Instruments as specified in the applicable Final Terms may affect the tax treatment of that Series of Instruments. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Holders who are in any doubt as to their tax position should consult their own professional advisers.

Holders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Instruments are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Instruments. In particular, Holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Instruments even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Interest on the Instruments

1. *United Kingdom Withholding Tax on United Kingdom Source Interest*

Payments of interest on the Instruments issued by ERB Hellas (Cayman Islands) Limited may be considered to have a UK Source. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. Factors which may be particularly relevant include: the place where the Issuer is resident, the location of any branch out of which the Issuer issues the Instruments, the place where the Issuer may be sued or the Instruments enforced, the location of any security and the ultimate source or substantive origin of the funds to be used to pay the interest.

If such payments do have a UK Source, the statements which follow in paragraphs 1 to 5 in relation to ERB Hellas PLC will apply *mutatis mutandis* to payments of or in respect of interest on the Instruments issued by ERB Hellas (Cayman Islands) Limited. If payments of such interest do not have a UK Source, they may be made without deduction or withholding on account of United Kingdom income tax.

The Instruments issued by ERB Hellas PLC which carry a right to interest (“UK Instruments”) will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 provided they are and continue to be “listed on a recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007. Instruments will be regarded as “listed on a recognised stock exchange” for this purpose if (and only if) they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list

(within the meaning of and in accordance with Part VI of the Financial Services and Markets Act 2000) and are admitted to trading on the London Stock Exchange, or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange and are admitted to trading on that recognised stock exchange.

The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. The Issuers' understanding of current HMRC practice is that Instruments which are listed and admitted to trading on the Main Market of the Luxembourg Stock Exchange should be regarded as "listed on a recognised stock exchange" for these purposes. Provided, therefore, that the UK Instruments are and continue to be quoted Eurobonds, interest on the UK Instruments will be payable without withholding or deduction for or on account of United Kingdom income tax.

Interest on the Instruments may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Instruments is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Instruments is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Instruments may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Instruments is less than 365 days and those Instruments do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In all other cases, an amount must be withheld from payments of interest on the UK Instruments on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

2. *Payments by the Guarantor*

If the Guarantor makes any payments in respect of interest (or other amounts due under the relevant Instruments other than the repayment of amounts subscribed for such Instruments) on Instruments issued by ERB Hellas PLC (or on Instruments issued by ERB Hellas (Cayman Islands) Limited, to the extent that those payments have a UK Source), such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Such payments by the Guarantor may not be eligible for any of the other exemptions described above.

3. *Payments under Deed of Covenant*

Any payments made by ERB Hellas PLC (or payments made by ERB Hellas (Cayman Islands) Limited, to the extent that those payments have a UK Source) under the relevant Deed of Covenant may not qualify for the exemptions from UK withholding tax described above.

4. *Provision of Information*

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a deeply discounted security); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Instruments which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 6 April 2015.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

5. *Other Rules Relating to United Kingdom Withholding Tax*

Instruments may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Instruments will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined above.

Where Instruments are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest in respect of UK Instruments are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Instruments or any related documentation. Prospective Holders should seek their own professional advice as regards the withholding tax treatment of any payment on the Instruments which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law.

Where a payment on the Instruments does not constitute (or is not treated as) interest for United Kingdom tax purposes, it may be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or royalties for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions of the relevant Instruments). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding tax depending on the nature of the payment), subject to any exemption from withholding tax which may apply and to such relief as may be available under the provisions of any applicable double taxation treaty.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer pursuant to Condition 21 of the Instruments and does not consider the tax consequences of any such substitution.

To the extent that a guarantee payment or a payment on the Instruments made by ERB Hellas (Cayman Islands) Limited is made after withholding or deduction for or on account of United Kingdom income tax, the Guarantor or ERB Hellas (Cayman Islands) Limited (as the case may be) may not be obliged to pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts that would have been receivable by the Holder in the absence of such withholding or deduction. In addition, the Issuers and Guarantor will not be required to pay any such additional amounts to the extent that any Instrument or Coupon is presented for payment in the Hellenic Republic, the Cayman Islands or the United Kingdom.

CAYMAN ISLANDS

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Instrument under the laws of their country of citizenship, residence or domicile.

The following is a discussion of certain Cayman Islands tax consequences of an investment in the Instruments issued by ERB Hellas (Cayman Islands) Limited. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

1 Under existing Cayman Islands laws:

- 1.1 payments of interest and principal on the Instruments issued by ERB Hellas (Cayman Islands) Limited will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Instruments issued by ERB Hellas (Cayman Islands) Limited nor will gains derived from the disposal of such Instruments be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;
- 1.2 no stamp duty is payable in respect of the issue of the Instruments issued by ERB Hellas (Cayman Islands) Limited, if in bearer form. The Instruments themselves will be stampable if they are executed in or brought into the Cayman Islands; and
- 1.3 no stamp duty is payable in respect of the issue of the Instruments and certificates evidencing the Instruments, if in registered form. An instrument of transfer in respect of such an Instrument or a certificate is stampable if executed in or brought into the Cayman Islands.

ERB Hellas (Cayman Islands) Limited has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**“The Tax Concessions Law
1999 Revision
Undertaking as to Tax Concessions**

In accordance with Section 6 of The Tax Concession Law (1999 Revision) the Governor in Cabinet undertakes with ERB Hellas (Cayman Islands) Limited “the Company”:

1. that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
2. in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - 2.1 on or in respect on the shares, debentures or other obligations of the Company;
 - or
 - 2.2 by way of the withholding in whole or part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of twenty years from the 14th day of May, 2002.”

LUXEMBOURG

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Instruments should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident holders of Instruments

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 as amended (the “Laws”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Instruments, nor on accrued but unpaid interest in respect of the Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Instruments held by non-resident holders of Instruments.

Under the Laws implementing EC Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “Territories”), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to

or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Instruments coming within the scope of the Laws will be subject to a withholding tax at a rate of 35 per cent.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

(ii) Resident holders of Instruments

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "Law") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Instruments, nor on accrued but unpaid interest in respect of Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Instruments held by Luxembourg resident holders of Instruments.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Instruments coming within the scope of the Law will be subject to a withholding tax at a rate of 10 per cent.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("IRS") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "Recalcitrant Holder"). Eurobank is classified as an FFI and each of (i) ERB Hellas PLC and (ii) ERB Hellas (Cayman Islands) Limited may be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Instruments characterised as debt (or which are not otherwise characterised as equity and have

a fixed term) for U.S. federal tax purposes that are issued on or after the “grandfathering date”, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Instruments characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Instruments are issued before the grandfathering date, and additional Instruments of the same series are issued on or after that date, the additional Instruments may not be treated as grandfathered, which may have negative consequences for the existing Instruments, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an “IGA”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a “Reporting FI” not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being “FATCA Withholding”) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the “US-UK IGA”) based largely on the Model 1 IGA. The United States and the Cayman Islands have entered into an agreement (the “US-Cayman IGA”) based largely on the Model 1 IGA.

Each of (i) ERB Hellas PLC and (ii) ERB Hellas (Cayman Islands) Limited expects to be treated as a Reporting FI pursuant to the US-UK IGA and US-Cayman IGA respectively and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuers will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. The relevant Issuer and financial institutions through which payments on the Instruments are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Instruments is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Instruments are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Instruments by the relevant Issuer, the Guarantor, as the case may be, any paying agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain between the relevant Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Instruments. The documentation expressly contemplates the possibility that the Instruments may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Instruments will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Instruments.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL

INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

EU SAVINGS DIRECTIVE

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income) paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

THE PROPOSED FINANCIAL TRANSACTIONS TAX (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Instruments where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Instruments.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Instruments are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Instruments may be sold from time to time by each relevant Issuer to, *inter alios*, any one or more of EFG Eurobank Ergasias S.A. in its capacity as a dealer (the "Initial Dealer") and/or any other entity appointed by the Issuers from time to time either generally in respect of the Programme or in relation to a particular Tranche (together with the Initial Dealer, the "Dealers"). The arrangements under which Instruments may from time to time be agreed to be sold by the relevant Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 27 May 2014 (such Dealership Agreement as modified and/or supplemented and/or restated from time to time, the "Dealership Agreement") and made between the Issuers, the Guarantor and the Initial Dealer. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments.

United States of America *Regulation S Category 2; TEFRA D, unless TEFRA C or TEFRA not applicable is specified in the applicable Final Terms.*

Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by United States Treasury regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Instruments, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified by the relevant Dealer or, in the case of an issue of Instruments on a syndicated basis, the relevant lead manager, of all of the Instrument of the Tranche of which such Instruments are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of such Instruments within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Exempt Instruments which are also Index Linked Instruments, Equity Linked Instruments or Dual Currency Instruments shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Exempt Instruments, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Instruments to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Instruments referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Instruments to the public” in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their

businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA (i) (where the relevant Issuer is ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited) does not, or, in the case of the Guarantor, would not, if the Guarantor was not an authorised person, apply to the relevant Issuer or the Guarantor or (ii) (where the relevant Issuer is the Bank) would not, if the Bank was not an authorised person, apply to the Bank; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

Japan

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the “FIEA”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

The Republic of France

The relevant Issuer, the Guarantor (if applicable) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Instruments to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the applicable Final Terms or any other offering material relating to the Instruments, and that such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

Greece

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with (i) the provisions of the Public Offer Selling Restriction under the Prospectus Directive, described above in this section; (ii) all applicable provisions of Law 3401/2005, implementing into Greek Law the Prospectus Directive (including, with respect only to Instruments issued by the Bank, article 8a of Codified Law 2190/1920 as in force); and (iii) all applicable provisions of Laws 876/1979 and 3606/2007, with respect to anything done in relation to any offering of any Instruments or advertisement, notice, statement or other action involving Instruments in, from or otherwise involving the Hellenic Republic.

Cayman Islands

In the case of any Instruments issued by ERB Hellas (Cayman Islands) Limited, no invitation may be made directly or indirectly to the public in the Cayman Islands to subscribe for any of the Instruments. In the case of any Instruments issued by an Issuer (other than ERB Hellas (Cayman Islands) Limited), no Instruments may be offered (by electronic means or otherwise) or sold by or on behalf of such Issuer within, or from within, or through an internet service provider or other electronic service provider located in, the Cayman Islands if such offer or sale would require such Issuer to be registered as a foreign company under the Companies Law (2013 Revision) of the Cayman Islands.

General

Other than with respect to the approval of this Prospectus as a base prospectus in accordance with Article 5.4 of the Prospectus Directive and, in relation to any issue of Instruments, as may be specified in the applicable Final Terms, no action has been or will be taken in any country or jurisdiction by the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Prospectus or any Final Terms comes are required by the relevant Issuer, (if applicable) the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the first paragraph of this section "General".

Selling restrictions may be supplemented or modified with the agreement of the relevant Issuer. Any such supplement or modification will, in the case of Exempt Instruments only, be set out in the applicable Pricing Supplement (in the case of a modification relevant only to a particular Tranche of Exempt Instruments) or (in any other case) in a supplement to this Prospectus and a supplement to the Dealership Agreement.

GENERAL INFORMATION

1. Application has been made for PD Instruments issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

However, Instruments may be issued under the Programme which will not be listed or admitted to trading on the Luxembourg Stock Exchange or any other stock exchange or any other relevant authority or which will be listed or admitted to trading on such stock exchange or any other relevant authority as the relevant Issuer and the relevant Dealer(s) may agree.

2. The establishment of the Programme and the issuance of Instruments thereunder by ERB Hellas PLC was authorised by resolutions of the Board of Directors of ERB Hellas PLC on 30 September 1999. The accession of ERB Hellas (Cayman Islands) Limited as an Issuer under the Programme was authorised by resolutions of the Board of Directors of ERB Hellas (Cayman Islands) Limited on 15 May 2002. The establishment of the Programme and the giving of the guarantee was authorised by resolutions of the Board of Directors of the Guarantor on 12 March 1999, 10 June 1999, 22 September 1999, 13 October 1999 and 24 April 2002. The increase in the aggregate principal amount of the Programme to €25,000,000,000 was authorised by resolutions of the Board of Directors of ERB Hellas PLC on 30 July 2008, of ERB Hellas (Cayman Islands) Limited on 30 July 2008 and of the Guarantor on 3 July 2008. The accession of the Bank as an Issuer under the Programme was authorised by resolutions of the Board of Directors of the Bank on 20 July 2009. The 2014 update of the Programme was authorised by resolutions of the Board of Directors of the Bank on 31 March 2014 and by resolutions of the Board of Directors of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited each on 21 May 2014. Each Obligor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Instruments.
3. As at 31 December 2013, there were a number of legal proceedings outstanding against the Group. The Group's provisions for outstanding litigation and claims in dispute amounted to €154 million as at 31 December 2013, of which €42 million related to New TT HPB and New Proton Bank. In almost every case where a provision has been made, proper remedies have been taken by the Group to challenge the validity of such claims or the legality of the fines imposed. None of the Obligors and any other member of the Group is involved in any administrative, judicial or arbitration proceedings (including any proceedings which are pending or threatened of which any of the Obligors is aware) which any Obligor believes may have or which have had a material effect on the financing condition or the results of operations or that of any Obligor in the 12 months preceding the date of this Prospectus.

In January 2014, Greek prosecutors initiated an investigation into the alleged improper granting of loans between 2006 and 2011 by TT Hellenic Postbank S.A. (the bank from which deposits, branch networks and other assets were transferred to create New TT HPB). Criminal proceedings are pending before the Investigating Magistrate of Athens and certain senior employees of TT Hellenic Postbank S.A. have been interrogated by the Investigating Magistrate in connection with breach of trust charges. The Obligors do not expect the outcome of these pending criminal proceedings to have a material effect on the Group.

4. There has been no material adverse change in the prospects of the Bank and no significant change in the financial position of the Bank and its subsidiaries taken as a whole since 31 December 2013 (the last day of the financial period in respect of which the most recent audited financial statements of the Bank have been prepared).

There has been no material adverse change in the prospects of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, respectively, and there has been no significant change in the financial or trading position of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, respectively since 31 December 2013 (the last day of the financial period in respect of which the most recent audited financial statements of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited have been prepared).

5. For the period of 12 months following the date of this Prospectus, copies and (where appropriate) English translations of the following documents will, when published, be available for inspection at the registered offices of each Obligor and at the specified offices of the Issue and Paying Agent and the Paying Agent in Luxembourg:

- (a) the constitutional documents of each Obligor;
- (b) the Issue and Paying Agency Agreement, the Dealership Agreement, the Deed of Guarantee, the ERB Hellas PLC Deed of Covenant, the ERB Hellas (Cayman Islands) Limited Deed of Covenant and the Bank Deed of Covenant;
- (c) a copy of this Prospectus, any supplement to this Prospectus, each document incorporated herein by reference, Final Terms and Pricing Supplements (in the case of Exempt Instruments) (save that Pricing Supplements will only be available for inspection by a holder of such Exempt Instrument and such holder must produce evidence satisfactory to the Issuer or the Guarantor, as the case may be, as to its holding of such Exempt Instrument);
- (d) in the case of each issue of PD Instruments admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document);
- (e) the audited consolidated annual financial statements of the Bank in respect of the financial years ended 31 December 2013 and 31 December 2012, in each case together with the auditors' reports prepared in connection therewith;
- (f) the audited annual financial statements of ERB Hellas PLC in respect of the financial years ended 31 December 2013 and 31 December 2012, in each case together with the auditors' reports prepared in connection therewith;
- (g) the audited annual non-statutory financial statements of ERB Hellas (Cayman Islands) Limited in respect of the financial years ended 31 December 2013 and 31 December 2012, in each case together with the auditors' reports prepared in connection therewith; and
- (h) all reports (other than auditors' reports), letters, valuations and statements prepared at an Obligor's request and included (in whole or in part) in this Prospectus.

In addition, copies of this Prospectus, any supplement to this Prospectus, each document incorporated by reference and Final Terms relating to PD Instruments which are either admitted to trading on the Luxembourg Stock Exchange's regulated market or offered to the public in the European Economic Area in circumstances which require the publication of a

prospectus under the Prospectus Directive will be available on the Luxembourg Stock Exchange's website at www.bourse.lu and, free of charge, upon request from the registered office of each Obligor.

6. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and the International Securities Identification Number in relation to the Instruments of each Tranche will be specified in the applicable Final Terms relating thereto. The applicable Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.

The address of Euroclear Bank SA/NV is 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

7. The issue price and amount of the Instruments of any Tranche to be issued under the Programme will be determined at the time of offering of such Tranche in accordance with then prevailing market conditions.
8. Instruments (other than Temporary Global Instruments) which have a maturity of more than one year and any Coupon appertaining thereto will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that a United States person who holds an Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

9. The auditors of ERB Hellas PLC are PricewaterhouseCoopers LLP of Hays Galleria, 1 Hays Lane, London SE1 2RD, England (members of the Institute of Chartered Accountants in England and Wales), Chartered Accountants and Registered Auditors, who have audited its financial statements, without qualification, in accordance with IFRS for each of the two financial years ended 31 December 2013 and 31 December 2012 (only for 2012 there was an emphasis of matter). The auditors of ERB Hellas PLC have no material interest in ERB Hellas PLC.

The auditors of ERB Hellas (Cayman Islands) Limited are PricewaterhouseCoopers of 268 Kifissias Avenue, 152 32 Halandri, Greece (members of the Institute of Certified Auditors-Accountants in Greece), Chartered Accountants and Registered Auditors, who have audited its financial statements, without qualification with an emphasis of matter, in accordance with IFRS for each of the two financial years ended 31 December 2013 and 31 December 2012. The auditors of ERB Hellas (Cayman Islands) Limited have no material interest in ERB Hellas (Cayman Islands) Limited.

The auditors of the Bank are PricewaterhouseCoopers of 268 Kifissias Avenue, 152 32 Halandri, Greece (members of the Institute of Certified Auditors-Accountants in Greece), Chartered Accountants and Registered Auditors, who have audited the Bank's financial statements, without qualification with an emphasis of matter, in accordance with IFRS for each of the two financial years ended 31 December 2013 and 31 December 2012. The auditors of the Bank have no material interest in the Bank.

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